

UNITED NATIONS/EROPA SEMINAR ON CENTRAL SERVICES TO
LOCAL AUTHORITIES

21 October - 6 November, 1963.

The Following documents/papers have been issued in
connection with the Seminar:

IV. WORKING PAPERS

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CSLA/2/3	Agenda Items Nos. 5 & 6
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FOR PARTICIPANTS ONLY

CSLA/2/1

18 OCTOBER 1963

ORIGINAL: ENGLISH

UNITED NATIONS/ECOPA SEMINAR ON
CENTRAL SERVICES TO LOCAL AUTHORITIES

21 October - 6 November 1963

WORKING PAPER I

Agenda Item 2: General Aspects and Approach -
Stimulating understanding of
the role of local Government

Reference : CSLA/1 and 2/1 IULA
Pages 1-25

CENTRAL SERVICES TO LOCAL AUTHORITIES

Terminology

The definitions of the key terms used in the Working Papers have been adopted from the U.N. Report on Decentralization for National and Local Development (Pages 88-89) and are given below:

- (1) Central Government: the headquarters of technical services or the level of government primarily responsible for relations with local authorities (usually the national government in a unitary system, and either the national or state government in a federal system).
- (2) Local Government or Local Authority: these terms are interchangeable (usually "local government" refers to the system and "local authority" to the unit) in referring to a political sub-division of a nation or, in a federal system, state, which is constituted by law and has substantial control of local affairs, including the power to impose taxes. The governing body of such an entity is elected or otherwise locally selected.
- (3) Special Organizations: for the development of certain regions of groups are not considered as local authorities. They are considered where the need arises, however inadequately, because of their relationships, both with central government and local authorities.
- (4) Decentralization: refers to the transfer of authority on a geographical basis whether by deconcentration (i.e. delegation) of authority to field units of the same department or level of government, or by devolution of authority to local government units or special statutory bodies.
- (5) Community Development: the processes by which the efforts of the people themselves are united with those of governmental authorities to improve the economic, social and cultural conditions of communities; to integrate these communities into the life of the nation and to enable them to contribute fully to national progress. Community Development Programmes comprehend the activities of one or more government agency in stimulating the self-help effort of the people, in providing technical and material assistance to make such effort effective and in associating the people generally with government activities.

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1. . There is to be found in all countries of South and South East Asia some form of both urban and rural local self-government. In some countries local government has a long history while in others it is relatively recent in origin. In some, local government has been built on the foundations of traditional and simpler forms of communal self-government. It cannot be said, however, that local self-government is firmly established, or functioning efficiently or that it is based on the fullest participation of local communities and over the entire region it is still only in the early stages of its growth.

2. The importance of developing a sound system of local self-government is now generally recognized. Local government is necessary as the foundation for democratic political institutions at the national level. In developing countries it is particularly important as a stabilising and integrating factor. It provides a training ground for national leaders. It makes possible popular participation in politics and effects a diffusion of political power.

3. Programmes of economic and social development could be made more effective and meaningful through the association of local authorities in their formulation and implementation. The people's participation in the planning process will increase their receptivity to new ideas and practices. It helps in making central activities in the field of planning and development more realistic and more responsive to local needs. Popular involvement will also make the results of planning more enduring. It may also be

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noted that the devolution of responsibilities to local authorities would both relieve the central government of the burden of attending to the details of local problems and make possible their solution with greater knowledge and efficiency. Such devolution will increase the speed and effectiveness of administration at all levels and also facilitate the coordination of technical services at the field level. An effective system of local government is an important instrument of national development and provides means to mobilize and improve manpower resources and increase national productivity.

4. It is the realization of the potentialities of local government for assuring the stability of newly established political systems, improving public administration, and for accelerating economic and social development that has led central governments to devote attention to the creation and strengthening of local authorities and the concept of central assistance to local authorities has acquired a new meaning and significance.

5. A philosophy of local government and of its proper place in the governmental system of a country is necessary for determining the right system of central-local relations. The problems of local government should be approached primarily from the point of view of the citizen and only secondarily from the point of view of the central government or its technical and administrative requirements. Efficiency should not be given primacy over democracy but should be reconciled with it. Local government should provide the ordinary citizen with opportunities for participation in the administration of local affairs and to serve the community. It needs to be emphasised further that local government is not merely a system of

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representative government but is also a system of responsible government. The execution of local administrative powers must be controlled by elected or otherwise locally selected representatives who are responsible to the local community directly or indirectly for their administration.

6. It is in this context that the respective roles of the central and local governments should be determined. In developing countries the functions which central governments should undertake are wider in scope ~~than in~~ ^{functions} advanced countries. Besides the traditional ^{functions} of central governments such as the defence, law and order, justice, the regulation of economic life and the like, it has to undertake a wide variety of new functions in the interests of social and economic development. It has to take the initiative and stimulate and encourage developmental work. It has to engage directly in such work on a large scale to accelerate the pace of development. The framing of policies in regard to development, providing the finances for the plans of development allocating resources as between different areas and functions, setting administrative machinery for development - and this includes the system of local government - inspiring and guiding the agencies set up for developmental work, providing supporting services, supervising the standards of performance, conducting research and evaluation are functions which the central government can adequately fulfil.

7. Attempts have been made to define the responsibilities of the central government, but it must be added that there can be no absolute and precise division of responsibilities between central and local governments. Most functions of local government are in a sense shared with the central
/government

government and the central government must continue to bear the ultimate responsibility for the adequate performance by local authorities of the functions allotted to them. There is a mutuality of interests between the central and local governments and they depend on each other to a great extent for the performance of their respective functions. Central-local relations therefore should be on a basis of partnership and cooperation, and not overlordship and dictation. The centre has an obligation to strengthen local authorities as much in its own interests as in those of the latter. It should assist and guide them in such fields as finance, personnel, procurement and storing of supplies, planning for urban growth, rural development, land use, programme improvement, coordination among them etc. Central services to local authorities would also be needed for the newer functions of development that may be devolved on local authorities.

Central assistance of the right kind and amount should be made available to local authorities to enable them to develop into competent and autonomous bodies which can effectively fulfil their role as partner of the central government in the task of national development.

8. The intention to develop the competence of local authorities and to assure their autonomous functioning needs to be translated into a plan of action and a well-thought out and comprehensive scheme of central assistance suited to the conditions of each country must find a place in the long term plans of national development.

9. As stated earlier, all types and stages in the development of local
/authorities

authorities are to be found in the countries of the region. There are considerably variations both in content and in the manner in which central assistance is given to local authorities. It is also probably true that only in a few countries central assistance is provided with a real urge to develop autonomous and competent local authorities. This is not surprising where deficiencies in technical man power and other resources are pronounced and emphasizes the need for long term comprehensive planning.

10. In view of the differing historical circumstances, political and social conditions in which local authorities have come into being in different countries, it is unlikely that central-local relations will develop in the same manner in all countries. Nor is it desirable that an identical pattern of central-local relationship should be aimed at in view of varying circumstances.

11. From the point of view of the development of an effective system of local government it is necessary to insist that there should be a periodic and systematic appraisal of the effectiveness of the methods of central assistance within each country. Methods proved to be inadequate should be given up and there should be a readiness to experiment with new methods.

12. In effecting decentralization and handing over responsibilities to local authorities, it will be necessary to accept calculated risks. Interchange of information and experience between different countries of the region should prove valuable so that there may be a selective blending
/of methods

of methods best suited to the needs of the respective countries.

13. A willingness on the part of the central government to transfer by stages wide areas of responsibilities to local authorities, perhaps at first under strict supervision which may be relaxed as the local authorities gain confidence and experience, is fundamental to the success of local government. In the initial stages, in countries which have not yet developed elected local bodies, devolution may in the first instance be to local field agencies of the central government. Powers so devolved may be transferred later to appointed, or partly appointed and elected local agencies. The transfer of responsibilities could be effected gradually as local authorities take shape and gain administrative experience and self-confidence. Special ad hoc agencies too could be used transitionally to devolve power to local authorities.

14. It is sometimes possible, and indeed highly desirable that local authorities should spring up by the people's own efforts. Well planned community development efforts and cooperatives can be useful instruments for initiating and strengthening local government and should be widely used.

15. The approach to the problem of decentralisation suggested here is empiric. Theoretical considerations alone cannot determine either the allocation of functions between central and local authorities or the manner of effecting decentralisation, or any other issue that arises. The system of decentralisation adopted should be flexible and powers transferred should be adjusted to the particular circumstances and needs of

/a country.

the country. It should however, aim at creating ultimately local authorities which can handle their own local problems with competence and make a significant contribution to all round national development.

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ORIGINAL: ENGLISH

21 October - 6 November 1963

WORKING PAPER II

- Agenda Items ;
3. Framing Local Government and Defining Powers and Functions
 4. Legal and Administrative Provisions to strengthen Local Government.

- Referenc : 3. IULA. Pages 32-43
DINLD. Paras 14-52:58-76
EROPA. CSLA/10 Pages 25-26
 4. IULA. Pages 44-49: 129-132
DINLD. Paras 84-95
CSLA/1 Paras 15-17

1. The framing of a local government system for a country raises immediately all the problems connected with local government of areas, structure, levels, functions, finances, central-local relations, and methods of supervision and control. An idea of the objective to be realised through local government and of its place in the government of the country is essential before these problems can be solved. Without a philosophy of local government and a firm conviction of its necessity the task of framing a local government system cannot be undertaken with any prospect of success.

2. The first question to be answered is whether the main outlines of the Local Government system should be included in the Constitution of the country or could be safely left to be regulated by ordinary law. There is a view that Local Government should be "anchored in the constitution" or alternatively should be dealt with in organic laws. The more common practice is to leave Local Government to be dealt with by ordinary law supplemented by ministerial rules and regulations.

3. The great advantage of prescribing the main outlines of the local government system in the national constitution itself is that it would secure local autonomy against attack by governments dominated by party and political considerations. It would help to avoid too

/ frequent

frequent changes in the system that militate against its taking root. It would serve to emphasize the democratic character of the national constitution. The basic principles of local government only need to be embodied in the constitution. To assure flexibility and freedom for growth the details of the structure, powers, functions, etc. should be left to be dealt with by ordinary law or regulations.

It is necessary to emphasize here that the maintenance of a system of local government and its autonomy should be common ground between political parties and between Central and Local authorities. Without such agreement an autonomous local government system could hardly survive.

4. The questions of the areas and the levels of local authorities are inter-related and depend on historical, geographic and ethnic factors as much as on technological and administrative considerations and the presence or absence of a sense of community in neighbourhood areas. There is no universally applicable rule according to which the areas of local authorities and the number of tiers can be determined for all countries. Every country will have to determine these questions with reference to its own particular situation and requirements.

5. From the experience of Western countries and of the newer countries it may be inferred that two units of local self-government, one small and the other large are ideal. The former should be the largest /unit in which

unit in which a sense of community exists and the latter should cover the largest area from which most technical services that are required can be provided efficiently. It should not, however, be so large that elected councillors cannot meet frequently.

"The units of modern local government ought to be either large or small, and not betwixt and between. There is an unanswerable case for large units of administration, with great resources at their back, capable of tackling extensive projects and of planning comprehensively over wide areas; and there is a no less cogent case for really small units - small enough to maintain close touch with the individual citizens and to be directly responsive to their wishes".^{1/}

6. The question of areas should be considered primarily in relation to the efficient administration of the different technical services for which local authorities are, or will be responsible e.g. Education, major roads, public works, electricity and others in which decentralization may be effected. Studies of the optimum areas for the efficient administration of elementary and secondary education, public health, social services, and agriculture at certain minimum standards have been made by the UNESCO, WHO, and other U.N. agencies as well as by certain national bodies. The optimum area for the efficient provision of different services varies with the standards of service aimed at, the area and population to be covered and facilities of

/ communication.

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G.D.H. Cole: Local and Regional Governments, p. 169.

- communication. It would be desirable to base local government area
- on the optimum required for the efficient administration of technical services entrusted to it. A size of area that will make possible the efficient administration of a large number of technical services should be chosen for the larger authority.

7. Technical considerations point to a large area and support the view all embracing present/^{ed} Local authorities are to be compendious or multi-purpose authorities, responsible for environmental, welfare, and developmental services, and if they are to be representative as well as responsible to Local Electorates, - both of which they should be, - the constitution of really small units of the base and fairly large units containing the maximum of technical facilities possible, appear to be best for most countries.

8. The boundaries of the larger and the smaller units should, in the main, follow the boundaries of existing administrative areas so that the sense of community fostered by history may not be lost in any readjustment. The demarcation of the areas should be such that the entire population is covered. A principle that may be applied in marking out areas is that of the service centre - rural area with an urban centre towards which it gravitates, and with which its economic, social and cultural contacts are most close.^{1/}

^{1/} Local Government in Saskatchewan:
Local Government Continuing Committee, 1961.

Means must be introduced of linking the smaller with the larger authorities, in order to strengthen them and to coordinate their activities.

9. Other important criteria in determining areas, such as financial resources ease of supervision and difficulties of inter-local co-operation, reinforce the case for newly developing countries opting for areas as large as possible in order that they may become strong and viable.

10. The financial capacity to support the services appropriate to local government is an important criterion in determining local government areas, but is secondary to the area requirements for the performance of the technical services themselves. Finance can be taken care of by the assignment of taxes and grants-in-aid as may be needed.

11. There is a second aspect of the area problem to which attention must be paid: the relationship of urban to rural authorities. It is generally accepted that metropolitan areas and great conurbations should be constituted into independent areas in direct relationship with central governments. Other urban areas should have elected councils of their own and administer most of the environmental and welfare functions. But whether these should be included within the jurisdiction of the larger rural local authorities is a debatable question. To exclude them would make rural authorities financially weak; to include

/ them.

them might prove a hardship to the towns as well as a lower level of services. On the whole, it would appear to be most advantageous to recognise them as parts of the rural authority (county or district) for certain purposes and allow them a greater measure of autonomy in local matters than is normally permitted to the smaller local authorities. A hierarchic relationship should be avoided, if the autonomy of local authorities is to be real.

12. The considerations that should weigh in the determination of levels or tiers of local government are: the availability of financial resources, technical considerations, the availability of competent technical personnel and local leadership, economy and efficiency in administration, simplicity and the capacity of the public to understand and operate the system. The levels should not be more than are indispensable for the performance of the public services. Too many levels confuse the public, lead to inefficiency by dividing responsibility, increase expenditure and make heavy demands on the scarce administrative and technical personnel. Where there are too many levels, none of them may have adequate work, the authorities tend to become ornamental and cease to be functional. For these reasons the multiplication of levels should be avoided.

13. For supporting technical services three levels have been identified: (1) the level at which technicians come into direct contact with the public; (2) the level at which supporting services like supervision, supply, planning, training and applied research operate / (3) the level

(3) the level at which over-all development services operate including comprehensive policy formulation, legislation, financing, national planning and major public works.

14. The powers and responsibilities developed upon local authorities must depend on factors such as the size of the local authority, its financial resources, its experience and competence in administration, etc. These vary from country to country. It is, obvious, however, that in most developing countries the actual powers and functions of local authorities are meagre as compared with the powers which could be entrusted to them. A precise division of functions and powers between central government and local authorities within the province of each is neither practicable nor desirable. But to demarcate an area of powers and functions, as primarily the responsibility of local authorities, is both possible and desirable. And this field should be as wide as possible. The powers to be assigned should be determined on technical and administrative considerations and should not depend on political convenience. The powers to be entrusted to local authorities should be common ground between political parties in the State and not a matter of controversy.

15. Functions and services which at present are largely in the hands of Central Government and its field agencies but which could be decentralised in varying degrees are indeed many. These would include a variety of services affecting the development of

/ agriculture

agriculture and natural resources, town and country planning; communications, economic development, public health, social services, public works, general services for central departments such as tax collection, the management of properties, public buildings, etc.

16. Some of these functions could be handed over to local authorities wholly; but in most, especially the technical services, a division of responsibilities between the central government and local authorities would be necessary. The devolution of powers should be as extensive as possible and as technically qualified personnel become available and local competence increases there should be a transfer of responsibility for certain technical services or parts of them to local authorities.

Legal and Administrative Provisions to strengthen local Government:

17. It has been pointed out earlier in this Paper that one of the first questions to be decided in establishing a system of local government is whether it should be given a basis in this constitution or organic laws or in the ordinary laws of the country. Apart from the basic laws or statute directly concerned with local government, various other laws enacted by the state legislatures affect the scope of the powers vested in local authorities and their exercise. These may be simply regulatory of the services provided by local authorities or definitely restrictive. Local authorities may be compelled to undertake particular services and subjected to directions

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from the central government to a degree that renders their autonomy fictitious. But such laws may also be a source of strength by providing additional scope and freedom of action for local authorities within reasonable bounds. Laws which add to the financial capacity of local authorities, vest in them greater authority in creating and developing public services, and operating them by systems which local authorities consider suited to their requirements, and which provide financial support for services entrusted to local authorities, add to the strength of local governments. Such a strengthening of local authorities can be effected in regard to any of the numerous functions of local authorities.

18. Developments in technology, the movement of populations, and the growing complexities of modern life render it difficult for local authorities established under simpler conditions to provide the services needed by a more advanced society except through cooperative action or amalgamation. Generally speaking the growth and development of local authorities has owed much to community of interests and there is frequently much opposition to proposals to amalgamate, particularly where a high degree of civic pride has developed as a result of the successful operation of local authorities. Legal powers may, therefore, be taken to secure amalgamations of local authorities either through agreement or compulsorily. Functional consolidation and amalgamation are alternatives to the direct assumption of functions by the central government which would reduce local autonomy. Such powers are necessary to enable local / authorities

authorities to meet new problems that arise and to adjust themselves to changing needs without the loss of their autonomy.

19. Laws may provide for local authorities to cooperate either for a specific purpose or more generally and can extend to the joint management of particular services and ~~at times~~ ^{in some cases}. This system is applicable both to large and small authorities and permits the independence of the cooperating authorities to be retained. The threat of compulsion can be present in the background. It would seem reasonable to suppose that where such cooperation is successful, it may be the first step to voluntary amalgamation.

20. Difficulties exist in the development of voluntary co-operation especially when joint services are undertaken resulting in a practical pooling of technical services. The technical service may become independent of local control. This is an issue that has to be faced and solved consistently with the basic principles of local self-government.

21. A form of cooperation which has fewer drawbacks is that of Unions of Local Authorities for specific purposes. This forms a separate subject for discussion.

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21 OCTOBER 1963

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UNITED NATIONS/EROPA SEMINAR ON
CENTRAL SERVICES TO LOCAL AUTHORITIES

21 October - 6 November 1963

WORKING PAPER III

- Agenda Item 5: Organisation and functions of the
Central Government Agency dealing
with local government. Its relation-
ships with other ministries and with
local authorities. Means to assist
and otherwise provide a framework
for effective local government
- Reference: IULA. Pages 50-65
 CSLA/1. Paras 25-30
 DNLD. Paras 237-246
- Agenda Item 6: Other ministries dealing with local
government or agencies for rendering
technical services, (e.g. finance,
health, education, social services,
community development, etc.) to local
authorities. Their relationships with local
authorities and with central government local adminis-
trations, e.g. district and provincial
- Reference: DNLD. Paras 224-236
 IULA. Pages 66-68
 EROPA/CSLA/10
 pages 15-22

1. A central organisation is an indispensable instrument for fostering the growth of local self-government. This can be and is, sometimes, a department within a ministry having other responsibilities. But when a new start is being made to set up a system of local government or to improve an existing system by intensified efforts it is best to place the responsibility in a separate ministry created for the purpose. This course has been adopted in many countries. The singleness of purpose and the specialised knowledge that such a ministry will bring to its task of developing local government will facilitate its accomplishment. Such an agency or ministry has to serve as a guide to local governments in the solution of their current problems and as coordinator. It must set its sights on the future and be prepared for the hazards and changes of policy that may affect the development of local government. It must be the advocate of the interests of local authorities with the central government and the central ministries which have powers over local government on connections with it. To this central agency should be allocated all functions which do not require specific technical ability. One of its important functions will be to see that in planning their activities the technical departments of government take into account the present and future responsibility of local government. For this it would need technical officers of special skills and training as advisers. These have an important role to play, particularly as local government gains in strength. They provide the essential link between local government and the central ministries on technical questions.

/ It has been

It has been observed: "The mere existence of a Ministry whose whole business is to promote, advise and supervise Local Authorities should (and usually does) make an enormous difference to the atmosphere in which local government works." ^{1/} The creation of an atmosphere in the nation that is favourable to local self-government should be an important aim of the central ministry.

2. The attitudes of different ministries and their policies towards local authorities will differ and will need to be related to the purpose of building up local self-government. This is a task that will grow in importance as the stature and competence of local authorities increase as their views would also require to be harmonised with those of the central ministries. It will be necessary to maintain a just balance between the central ministries with their own specific functions and those of the central ministry for local government. An impossible situation would be created if the central ministry for local government, were to assume dominance over other ministries. Equally it would be wrong if the separate ministries in carrying out their specific functions could over-ride the central agency.

3. The central ministries should maintain direct contacts with local authorities to avoid delay and red tape and should not have to channel routine matters through the local government agency. Matters of

^{1/} Hicks: Development from below.

importance however should be discussed with the latter before action is required so that the full consequences can be assessed.

4. The central agency has its obligations to develop responsible local government; the several functional ministries have their responsibilities in their respective fields. All these responsibilities and activities have the common objective of improving living levels and they must be reconciled to this end. If a reconciliation of differences among them cannot be effected through interdepartmental or inter-ministerial consultations, the normal machinery of government for settling such issues must come into play with resulting decisions.

5. It is not possible to recommend any one pattern of the functions which should be carried out by a ministry or department of local government, for these depend on the circumstances of different countries especially the degree of development achieved in the sphere of local government.

Within the concept of the purpose that a central agency for local government should stimulate, guide, advise and do all things possible to establish and maintain responsible and efficient local government, the following functions are generally being carried out in many countries, though with some variations:

1. Taking all necessary measures to develop local government pursuant to government policies;
2. Defining the powers, duties, organisation and basic features of local authorities and preparing legislation as necessary;

/ 3. Defining

3. Defining boundaries and preparing legislation as necessary;
4. Co-ordinating legislative changes concerning local authorities;
5. Co-ordinating measures of other central government relating to local authorities;
6. Taking all measures possible to improve standards of administration of local authorities, and to provide all possible support thereto;
7. Assisting in the establishment of an association of local authorities;
8. Assisting in the development of a local government officers career service;
9. Ensuring adequate finance to enable programmes to be executed;
10. Providing for inspection and audit services;
11. To open to local authorities sources of procurement developed by central government;
12. To act as the principal adviser to government on all matters concerning local authorities,
13. To act as arbitrator in disputes between local authorities;
14. To conduct enquiries where necessary to determine important disputes which may arise between local authorities and sections of the community.

The emphasis of this Paper so far has been on the following points:

1. There should be a central agency, department or separate ministry, to foster the development of responsible local government; and where this stage has been reached, to be a support to and a co-ordinating influence between the various local authorities, and between them and other ministries having responsibilities connected with local government or which affects the latter.

2. All functions

(2) All functions which do not require specific technical ability and which directly concern local government should be allocated to this agency.

(3) The central agency should not exercise supra powers over other central agencies; neither should the other separate agencies (ministries etc.) override the central local^{government}/agency. The respective responsibilities of all must be respected and wherever possible agreement to courses of action secured before the necessity arises of raising a matter of contention to the level of decision (e.g. cabinet, council of ministers)

(4) There should be some technical officers with the central government agency, mainly in the role of advisers, to provide the means for consultation technical grounds with other central agencies.

7. The foregoing presupposes some reasonable progress has been made in establishing local government. Where this is not the case and the necessity to accelerate progress is reorganised, it may be wise for the central local government agency to have some field organisation to assist in this development. The same principles which have been described concerning the relations of the central local government agency with other agencies should apply with equal force to these units. They must work in close harmony with local administration, and the success of their efforts will largely be judged by the speed with which responsible local government is established and the field officers become redundant.

8. The organisational pattern of the central local government agency discussed in the foregoing will necessarily be dependent upon the degree of devolution of activities achieved, the general form of the central government machinery, and the support services which it is possible to provide.

As a guide the following suggests the more important units of organisation which should be included, excluding the customary administrative and finance units for the internal administration of the central agency.

Headquarters	-----	The political Head
		The Executive Head

Planning, Development & Coordination Unit: For such duties as heading indicates and those relating to relations between central agencies and with local authorities. Includes such technical personnel as may be necessary.

Local Authorities Organisation and Establishment Division: concerned with organisation, boundaries, local authorities, personnel matters, training and staff education, public relations, work methods.

Finance Support, Loans, etc.:

Central Statistics Unit:

Field Organisation: which should only be necessary at initial stages and as described in paragraph 7.

/ 9. The expansion

9. The expansion of the functions of government whether at the central or local level multiplies the contacts between the two. Local authorities need the assistance and approval of the Ministry of Finance in nearly all financial matters. Many technical ministries are concerned with local government, and the implementation of their own programmes usually benefit considerably from co-operation and assistance of local authorities.

10. Local authorities will also be seriously handicapped in their work and subjected to contradictory advice and directions, from the central ministries perhaps impossible to carry out, if there is no machinery for coordinating their relationships. These relationships may be further complicated by the intervention of lower echelons of central government administration ministries, e.g. Provincial & District. It should be one of the major responsibilities of a central ministry of local government to avoid such a segmented approach to central-local relations and to secure both consistency and continuity in central policies -- in a word to achieve an integration of financial and administration policies towards local government.

11. A central ministry must have a clear idea of its mission which is to help the growth of local self-governing institutions to maturity and strength. Its attitude towards local authorities should be such as to make the latter turn to it naturally for help and guidance. This emphasises the need for staffing the ministry with competent and adequately trained personnel enjoying a liberal career service.

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12. The most important central ministries concerned with local governments are Finance, Public Works, Agriculture, Health, Planning and Community Development departments. The general administration department through its Divisional and district officers also comes into intimate contact with local governments. The Finance department's relationship to local government is both extensive as well as important. It has ultimate control over taxation, loans, and grants which fundamentally determine the activities of all local authorities. The work of Planning Departments directly affect the programmes of local authorities and those of the Community Development departments tend to cover areas which are normally the field of local government or of the technical departments like agriculture, health, education and public works. The result is often overlapping and waste on a considerable scale.

13. The operations of a number of separate central ministries in providing local services independently, each in its segment, raises many problems. As pointed out earlier the most important of these is that of coordinating and integrating into a whole the activities of the different central ministries in the local field, and this coordination must be one of the responsibilities of the central agency for local government. Relating the quantum and kind of central assistance to the particular needs of different local authorities must also either be undertaken or co-ordinated by the central ministry. The allocation of resources and help to local authorities cannot be arbitrarily determined and demands relationship to needs of localities, and the objective of national minimum standards

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minimum standards of services in all areas. The lop-sided development of services, and waste and delay should be avoided by proper coordination.

14. Programmes undertaken by local authorities on their own may require integration with central programmes so that all the work in a local area may constitute a meaningful whole.

15. The relationships of the field offices of the technical services to the general district administration, and to local authorities, pose difficult problems which can be solved only by understanding and co-operation. The expert field personnel of central technical ministries should be available to local authorities in their work whenever possible and the staff at the lowest levels may have to work directly under local authorities.

16. Coordinating the activities of the different technical services in the district has been generally the work of district officers who have been area coordinators. But under a genuine system of local self-government such coordination must be the task of local elected bodies themselves.

17. An effective local government system is the product of a number of factors. The political tradition of the community, the level of civic consciousness and competent leadership, though intangible, are of fundamental importance. Machinery, procedures, financial adequacy, technical know-how, harmony in central-local relations, the character of the system of supervision

of supervision, guidance and control, the quality and quantum of technical assistance, the competence of local government personnel are other factors that determine the efficiency of local government. It is in these fields that a central government has to strive to build a local government system that is able to play in nation-building.

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FOR PARTICIPANTS ONLY

CSLA/2/4

21 OCTOBER 1963

ORIGINAL: ENGLISH

UNITED NATIONS / EUROPA SEMINAR ON
CENTRAL SERVICES TO LOCAL AUTHORITIES

21 October - 6 November, 1963

WORKING PAPER IV

Agenda Item No. 8 : Central Supervision of Local
Authorities

Reference : IULA. Pages 139-152
D/LD. Paras 77-83
CSLA/1 22-24

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CENTRAL SUPERVISION

1. Central supervision involves not merely the general oversight of local activities by central departments, but also guidance and control. It embraces the whole field of central-local relations. These relations can be studied only in the context of the major activities of local authorities such as education, health, welfare, public works and agricultural extensions as well as general administration. The steady growth of central supervision has been one of the most significant developments of the twentieth century in the field of local government in technologically advanced countries. The main reasons for the growth of central supervision and control have been the demand for additional public services and services of a higher standard than local authorities could provide, (b) the pressure of the professional and technical staffs of the central government on local authorities for improvement, and (c) the inability of the local authorities themselves to avoid the accumulation of controls that accompany grants and the devolution of powers and functions. The central government has an obligation "to secure universal access to certain basic services at an adequate standard and to provide local authorities with the financial resources necessary for the purpose. Constitutionally it bears the ultimate responsibility for the proper functioning of local government. It has also to exercise a measure of control over the finances and programmes of local government to assure their conformity with national policies of taxation and development. Very largely central supervision and control have developed to secure

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the efficiency of local administration, a purpose in which local authorities should be as much interested as the central government.

2. The need for central supervision and control over local authorities is obviously greater in developing countries than in the technologically advanced countries where local government systems are more firmly established. In developing countries local governments are of relatively recent origin; the electorate is largely illiterate, local leadership is undeveloped and inexperienced, officials are untrained and not highly qualified and the financial position of local authorities is extremely unstable.

3. The view that central supervision and control are inconsistent with local autonomy is theoretical and is of little help in building up a system of local government. Local authorities are not independent entities but are creatures of the State possessing varying degrees of autonomy. "The kind of relation between central and local government that has to be aimed at is neither control of local government by central government nor such concurrent powers as would be appropriate for the units of a federation. Rather the optimal relationship would be a partnership of two active and cooperative members, but with the central government definitely the senior partner."1/

1/ Hicks: Development from Below. p.437

/It is the

It is the centre's duty to supervise and advise local authorities,
• "to help local authorities to help themselves."^{2/} In developing countries the relationship between the central and local governments should, in the initial stages, approximate to that of a master to his pupil. The centre's powers of supervision and control should be exercised to educate local authorities in their work. Supervision should be linked closely with technical advice and on-the-job training.

4. The techniques of supervision and control are numerous and differ greatly in their efficacy and stringency. They have not been static and have improved over the years. They vary also with the technical service involved. They include among others periodic reports, inspection, enquiries, grants-in-aid, advice, approval, review, directives and orders, ordinances, removal, appointment, and substitute administration. The character of central-local relations would depend very much on the devices normally employed and the frequency of the report to the more stringent and extreme forms of control, like the annulment of the decisions of local authorities, their supersession and action in default.

5. In general it may be said that the most effective type of administrative supervision is achieved through persuasive techniques and not through coercive methods by the central departments "acting as service agencies, and as educational consultants and as cooperating units within the State framework."^{1/} Coercive devices should be avoided except as a last resort to enforce minimum standards and to prevent neglect and persistent abuse of powers. Action in default, the removal of councillors

^{2/} - IULA Study: p.139

^{1/} Report of the Committee on State Local relations (USA) 1946
/ and the supersession

and the supersession of councils are extreme remedies to be used only in emergencies. A thoughtless and frequent use of the latter devices would be destructive of local government. The temptation to use these devices excessively is particularly great in developing countries due to the inexperience of their local government units and should be firmly resisted.

6. The conception of supervision and control as a process of education is a relatively new development. It has meant a significant change in central local relations. Supervision is carried out largely through consultation and advice. The central official's work in relation to local government has tended to become less that of an inspector and more that of an adviser and consultant, and the continuous participation by central officials in the local authority's work has taken the place of periodic inspections and directives.

7. It would be mainly the task of the central ministry or department of local government to provide the frame work for supervision and control and to supervise and assist local authorities on matters of general administration. The technical ministries must do the same with respect to local authority activities in their fields. Assistance will have to be detailed in the early stages, but can taper off as local authorities become established and capable of responsible and impartial administration.

8. The effectiveness of supervision depends largely on the competence and integrity of supervisory personnel. The need for qualified supervisory personnel with the right attitude towards local authorities cannot be over-emphasized. The exercise of supervision should be a

/continuous

continuous process. However there should be flexibility in the methods of control. It is desirable that supervision and control should be unified and exercised by single agencies in regard to finance and other major activities of local government. It is further necessary that supervisory functions should be exercised on the spot, and if need be, by teams of officials of the central ministry. Field inspectors should be expected to give on the job training to those whose work they inspect.

9. The conclusions of this paper may be set down here:

(1) Supervision and control of local authorities are vitally important to secure the efficiency of local government in the initial stages of its development and can be varied according to need. Effective supervision linked with technical advice and on the job training is the key to the building up of a healthy local government system.

(2) The efficiency of supervision can only be secured through trained supervisory personnel of the highest calibre and with the proper attitude of sympathy in to the objective of decentralization to local bodies. This may be inculcated through training.

(3) Supervision and control, to be successful, must be used to stimulate local authorities to assume responsibility and educate them in its efficient fulfilment.

(4) In controlling the action of local authorities, the methods of persuasion should be preferred to those of compulsion, since the former are the more efficacious and coercive methods should be avoided if possible

/and used

and used only in exceptional cases as a last resort. The choice of methods should be flexible.

(5) Supervision and control should be unified and exercised by a single agency in regard to each major function. These should largely be exercised on the spot and informally.

Points for Elucidation

It would be useful for Seminar participants to provide information on organisational arrangements for supervision and control of local authorities in their respective countries. What central agencies are responsible in supervising local government finance? How can inspection of local authorities be combined with on the job training? What machinery exists for coordination and cooperation between ministries in supervising local authorities? What agencies and methods have proved successful?

FOR PARTICIPANTS ONLY
CSLA/25
23 OCTOBER 1963
ORIGINAL: ENGLISH

UNITED NATIONS/ECOPA SEMINAR ON
CENTRAL SERVICES TO LOCAL AUTHORITIES

21 October-6 November, 1963

WORKING PAPER V

- Agenda Item 9 : Financial Relations between the
Central Government and Local
Authorities
Central Assistance in Local
Government finance
Financial policy
Audit
- Reference : IULA, Pages 69-87
DNLD, Paras 185-220
CSLA/1, Paras 18-21

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1. The heart of the problem of local self-government is to be found in central-local relations/ⁱⁿ the field of finance. It is through the grants-in-aid system and loans that the central government agencies has come to exercise a large measure of influences over the activities of local authorities in recent years. Some measure of control over the policies of local authorities and their administration inevitably results when the centre renders financial help to local authorities. Financial relations touch every aspect of the relationship between central government and local authorities.

2. The objects of central government in relation to finance are:
- (i) to ensure a balance between local resources and local responsibilities;
 - (ii) to bring about an equalisation in the resources of local authorities so as to enable the poorer among them to achieve the same standards of performance as the richer ones in the services;
 - (iii) to assure that the programmes of work and taxation policies of local authorities are in conformity with national policy standards and objectives; and
 - (iv) to insure the prudence, integrity and efficiency of local financial administration and the solvency of local bodies;
 - (v) to ensure the effectiveness and better utilisation of financial and other resources placed at the disposal of local authorities.

3. It is of fundamental importance that local authorities should have a basic revenue of their own. It has been said that a sound system of local government should rest on a sound foundation of local finance. Local authorities should be able to meet a proportion of the expenditure required for maintaining local services from taxes which they have the power to levy and other local sources of income.

/ The exercise

The exercise of this power emphasises the self governing nature of local authorities and inculcates a sense of financial responsibility.

4. In most countries of the world the financial position of local authorities is weak as compared with that of the central government and is naturally so because of the taxation systems. Local authorities have come to depend in an increasing measure on central government assistance for the performance of their functions particularly with the rapid development of their scope and complexity. Adequate assistance from the central government is necessary usually for even the obligatory functions vested in them. It may be noted that in several developing countries legislation places a large number of obligatory and optional functions and powers but fails to provide for with corresponding financial resources. This tends to make devolution largely ineffective, and can lead to a deterioration in the standards of administration, and certainly to a sense of frustration. Sometimes it can have unfortunate political reactions.

5. The problems directly concerning local authorities are therefore the supply of sufficient financial resources to carry out the various services required of them and central government/local authorities' relationship in the general field of finance.

6. A local authority should at the least be able to rely upon its own resources for the discharge of its basic functions without reliance upon external assistance as is now often the case. These financial

/ resources

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resources should come from local taxation rather than from other resources which may be available such as fees, fines, and profits from commercial enterprises and public utilities which they may operate. The expenditures from such revenues should be directly related to the service concerned and those from public utilities used for the development of the utilities themselves and to lower costs.

7. Local bodies should have a definite and assured source of tax revenue and this should be secured by the reservation of certain taxes through legislation to be levied exclusively by and for the local bodies. Taxation from the same sources by other authorities should be avoided.

8. The taxes to be so reserved would vary with the economic conditions, traditions and practices of different countries. But they should be convenient for local authorities to levy and administer economically and should bring in a stable and adequate income. They should have freedom to vary the rates of taxes within prescribed limits. A variety of taxes may be desirable to enable local authorities to distribute the tax burden equitably and some at least of these taxes should be elastic and capable of expansion. But on the other hand, a limited range of high-yielding taxes can often serve local authorities best.

9. In India reserved for local bodies are:

(1) Taxes on lands

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- (1) Taxes on lands and buildings;
- (2) Taxes on the entry of goods into the area of a local authority for consumption, use or sale therein; (octroi)
- (3) Taxes on vehicles, other than mechanically propelled;
- (4) Taxes on animals and boats;
- (5) Taxes on professions, trades, callings and employment;
- (6) Taxes on advertisements other than advertisement in newspapers;
- (7) A theatre or show tax
- (8) Duty on transfers of property
- (9) Taxes on the carriage of passengers by road or inland waterways; and
- (10) Tolls.

In large measure these taxes are reserved in practice.

10. In the case of rural local authorities land revenue in part and a local cess on land revenue earmarked for particular uses such as education, and road, etc. and a surcharge on stamp duty on transfers of land within the jurisdiction of the local authority have been assigned to local authorities.

11. Tax measures of local authorities should be simple and comprehensible to the people and the authority that levies a tax should normally be the authority that collects it. This is necessary for securing a sense of financial responsibility in the authority. However, if it is substantially more economical central governments may collect the taxes of local authorities as is done in several countries.

12. Development of commercial enterprises may provide a source of income. In view of the scarcity of managerial personnel and capital resources of most local bodies, the development of such enterprises should proceed with caution.

/ 13. Central

13. Central assistance largely takes the form of grants-in-aid to local authorities. As stated earlier financial assistance is unavoidable if the functions entrusted to local authorities are to be matched by capacity to undertake them. The problem is to devise a grants-in-aid system that assures local authorities the resources necessary for discharging their responsibilities without subjecting them to an undue measure of central control. It is well to emphasise that the financial weakness of local authorities is in part due to the system of taxation of the country, and in part is a reflection of the low economic productivity of the country.

14. States should administer a grant-in-aid system based on certain well-defined principles. A grants-in-aid code embodying them is necessary and should be developed and should include:

(a) A basic or general purposes grant to enable local authorities to discharge functions which are obligatory, taking into account their own resources. This may be calculated on the basis of some simple criterion such as population, area, resources, e c.

(b) Specific grants to induce local authorities to develop activities deemed necessary by the central government from the point of national policy.

15. The variety of forms of grants-in-aid is large and even confusing and the formulae for the determination of the amount of grants of ten complicated. It may be suggested that the formulae for the determination of such grants should be easily comprehensible and the procedures for obtaining them simple and speedy.

/ Grants should

16. Grants should be sufficiently stable over a number of years (3 to 5 years) to enable local authorities to plan their activities and should be related directly to the responsibilities and projects to be administered by local authorities. A periodic review and evaluation of the operation of a grant-in-aid system should be carried out.

17. The ways in which the central government can assist local authorities in the improvement of financial administration are both varied and important. They relate particularly to budgeting, tax administration, accounting and audit.

18. The central government's control over the budgetary process ought at least in the initial stage of local government, include all the stages from the preparation of the estimates to the audit of accounts. The control may be relaxed in stages as the local authority gain experience and competence. The estimates of local authorities would need to be examined and vetted in detail. The approval of the central government may be required for the budget. The centre should have power to achieve budgetary balance, enforcing the levy of taxes by local authorities, fixing compulsory minimum rates for taxes, cutting out items of expenditures, etc.

19. The central government would need to prescribe both forms of accounting and of the budget for local authorities. Local authorities should adopt a uniform proforma for the annual budget with an identical classification of the broad heads. The Uniforms accounting forms and

/ procedures

procedures should be prescribed by the central government for local bodies. The employment of trained accountants or finance officers with undivided responsibility for accounts is a necessity as also the proper training of such officers for their job. A code of financial rules relating to accounting, budgeting, auditing, and the receipt, custody and disbursement of funds, contracts and other matters should be prescribed by the central government and enforced.

20. • The audit of accounts is a central responsibility and must be carried without delay after the financial year. It is worthwhile considering whether a concurrent and internal audit cannot be introduced in local government in addition to post audit to ensure regularity and honesty in the management of public funds.

21. In the field of tax administration the central government should assist through a Central Valuation Department to assess properties without being subjected to local pressure, the training of finance officials, and the secondment of its officials, for toning up the financial administration and to set right matters in the event of mal-administration.

22. The greatest need of local authorities in finance as elsewhere is for continuous advice and guidance. This may be rendered through central government servants stationed locally, or frequent visits by such officials, or through district officers of the ~~general~~ administration or through the creation of special cadres of investigating officers with statutory

/duties to (Ceylon)

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duties ~~(Ceylon)~~ to advise on office and financial management or through a system of Financial advisers seconded to local authorities for long periods (as in Kenya). These suggestions may be examined by the Seminar participants.

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FOR PARTICIPANTS ONLY

CSLA/2/6

18 OCTOBER 1963

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UNITED NATIONS/EROPA SEMINAR ON
CENTRAL SERVICES TO LOCAL AUTHORITIES

21 October - 6 November, 1963

WORKING PAPER VI

Agenda Item 11: Relationships between local authorities and central planning agencies and assistance by the latter. Partnership concept. Particular role of local authorities in implementation, evaluation, research, and public opinion and relations. Regional planning. Physical (i.e. City) planning

Reference : IULA, Page 109 (para 57)
110-122: 127-128:
137-138
DNLD, 53-57
EROPA, CSLA/10
Pages 13-15

RELATIONSHIPS BETWEEN LOCAL AUTHORITIES AND
CENTRAL AGENCIES FOR PLANNING AND
IMPLEMENTATION

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Local Government and Development:

1. An interesting and important feature of the past two decades of development in all countries, and especially in developing countries, has been the way local government has become accepted as a means to economic as well as political development.
2. It has been said that the avowed purpose of local government is to foster political education. This is not generally true in this region although it follows as a natural consequence. Local government has a very definite impact upon social and economic development even if indirectly, and this impact is recognised and influences governmental policy considerably even though results may not measure up to expectations.
3. Local Government must be efficient in managing local services if local levels of living are to be raised , and thus contribute towards economic and social development. Local government has a long record as an effective means of education for democracy and of creating a sense of civic responsibility and ambition.
4. Expansion of production and the development of industries and commerce depends largely upon the provision of essential services of both economic and social natures, most of which are provided through public bodies.

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The larger services in developing countries almost invariably originate from and remain the responsibility of central governments. The reasons for this need little elaboration, the main one being the size and nature of the investments required and the period which must elapse before adequate returns from such investments materialize.

But such reasons do not apply to many items of services, some of which although large in total are quite capable of being delegated to local governments, or preferably, being devolved completely to them under some reasonable system which will ensure satisfactory performances. Moreover, much extension work required for national projects can best be undertaken at the local level and local authorities are fitting units to organise and carry out such work.

5. Devolution must become the policy of an enlightened central government in order to free itself from activities capable of being ^{carried} out effectively by local government and specially those where, as is often the case, local knowledge, decisions, and action are important factors to successful results. Moreover, stimulation of initiative, growth, and a readiness to accept responsibility, which are assets of immense value to a developing economy, be achieved thereby and also the valuable asset of the development of good public relations.

/ This freeing

6. This freeing itself by central government of activities which can be entrusted to others is an important result in its own right; it relieves the central governmental machine of some pressure and over-centralisation of activities, and also permits more attention to be given to widening and new development horizons.

7. All that has been said in the preceding paragraphs demands the close co-operation between central government and local authorities, and the emergence of a concept of partnership which can only result in benefit to the national economy and the progressive development of the people and their welfare.

However, as in all cases involving organisational changes, the changes themselves usually achieve little or nothing. It is the degree of readiness and willingness of the partners to a change to secure improvements therefrom, which will determine the ultimate benefits derived.

The partnership concept referred to between central and local governments must therefore ensure that conditions are established within the local authorities and also in the central governmental agencies which will ensure success and create a momentum of progress.

Town and Country Planning:

8. Town and country, and city, planning with its effective implementation is perhaps one of the most important measures having impact, not only upon the welfare of people by raising, for example, standards

/ of health

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of health and living generally, but also upon increased productivity through better services and transportation facilities, and improvements in the quality and skills of labour through improved facilities for training and experience.

It assumes even greater importance when population pressure, common in so many Asian countries is considered, and the flight of people from the country to urban areas. Planning for immediate and near future needs must be related to long term perspective planning in which local government should occupy a foremost position.

Local Government and National Planning:

9. Planning must be progressive and should operate at all levels.

A national plan has to be adapted to local needs, circumstances and resources, and moreover, long term national plans would be incomplete without provision for the development and growth of efficient local government. This being so, all planning cannot be concentrated at the centre, and because planning is an element for social and economic growth the role of local government in the planning process demands consideration.

10. An important asset possessed by national planning is the ability to minimize the delaying and even negative effects of centralised functions by causing local authorities to become a part of the whole

/ complex;

complex; and at the same time the capability to correct distortions which will surely occur, if devolution is attempted without readiness of local authorities to undertake the responsibilities, and accompanied by piecemeal planning and control.

This does not mean to say that the pace of development even for similar activities in different areas, must be restricted to a common level which usually results from the too great a centralisation of activities including planning and control. Variations are often healthy signs, but the causes must be known, and distorted effects of a harmful nature corrected.

11. Wherever possible, central planning should be concerned with national objectives and broad outlines, whilst detailed objectives and plans having greater local aspects and especially of a labour intensive nature, should be left to lower levels. These lower levels and local authorities in particular can also provide a valuable service to the centre by providing information of a nature required by the centre, but otherwise only available with difficulty. The concept of partnership could hardly be exemplified better.

12. Where the happy state of efficient devolution is not possible because of the unreadiness of local authorities for the trust, central government should not assume the whole responsibility complacently. Central services of government having planning and implementation

, / responsibilities

responsibilities, whilst carrying out these responsibilities, should support local authorities with a definite intention to hasten the day when effective devolution is possible, perhaps step by step.

Knowledge so gained will be essential information for the preparation of plans for the development and strengthening of local government.

13. In whatever form constituted the central planning agency should maintain close co-operation with the central government agency dealing with local government, so that regular contact may be maintained with the planning and development activities of local authorities, and especially with the development of the authorities themselves, for this is an essential part of national development.

Generally speaking, in developing countries it would be wise for the central planning agency to maintain these contacts through the medium of the local government agency at the centre. Coordination between the central planning agency and the central local government agency is best achieved by means of regular meetings, working to a pre-determined system of information exchange, and examination of courses of defective services and implementation.

14. In the task of providing central assistance to local authorities in planning processes, it is essential first that there should be a clear understanding between both parties of the division

/ of activities

of activities and the reasons underlying such division. It is good to introduce this kind of assistance early in the development of local authorities even if the means for implementation by local authorities do not exist. By so doing the young local authority can be stimulated and encouraged to participate in development generally, and local views, ideas, and resources become better known to the centre. Indeed, to introduce local participation into planning in however elementary a form is logical because planning should always precede operation.

Programme Improvement:

15. Central assistance in the field of programme improvement is appropriate where a system of local government is already established and associated with planning processes, including those of the centre. The best service which can be rendered is assistance to raise the competence of administration in all local government affairs. Only by so doing will it be possible for improvements in development programmes to result, for it is useless singling out any one particular function. A number of these different services and functions are discussed at this seminar, personnel administration generally, organisation and methods, etc.

16. Nevertheless, even where local government is rudimentary, improvement in its general competence from the earliest stages is useful and marks a significant step. Early experience in planning processes has already been suggested (see para 14), and administrative improvement

/ however small

however small, influencing programme improvement should produce some practical advantages and stimulate interest which can hardly fail to spur ambitions. Such early efforts provide a stimulus to larger essential activities.

17. An essential step towards programme improvement is obtaining information which can, reasonably and reliably, evaluate progress in the implementation of plan, and establish the extent to which results conform to planned requirements. Such evaluation is required by the level responsible for implementing a particular plan (even a sector of a plan, and also by the central planning agency although perhaps in less detailed form. Without this evaluation much of the value of planning, however good, is lost because the whole concept of planning is, so far as possible, to eliminate guesswork, to foresee hazards, and to make speedy adjustments as soon as possible to the time when needed.

18. Evaluation functions usually require particularly skilled personnel and in developing countries these cannot be dispersed and must fairly well centralised, which reduces their effectiveness considerably. Reliance must therefore fall upon whatever field units are available and the reports possible from them. The activities of field units are normally mainly of an inspection and supervisory nature and as such are inadequate.

/ In this field

In this field there is ample scope for the co-operative efforts of the local authorities even in their early stages, provided the information required is specified clearly and guidance is given in methods to procure and report it.

19. It has been said that a national association of local authorities would be a most competent body to deal with problems of this nature (IULA Study Part I page 138 para 5). It is for consideration whether this would be true in Asia where situations and conditions can vary so much even in the same country. The proposal would also seem to be a negation of the whole principle of a local authority performing services for central government where local knowledge and experience is so important. Moreover, this introduces an additional central agency to carry out a function which is directly associated with the implementing and planning agency concerned.

Undoubtedly local authorities are particularly well suited to serve planning and implementation agencies in this sphere. And an association of local authorities is equally well suited to develop practices and techniques to aid its constituent members.

Regional Planning:

20. A need has been recognised, unfilled in many countries, of units for planning and development at a level between local authorities and central government.^{1/}

^{1/} United Nations Seminar on Regional Planning, Tokyo 1958.
/ Important

Important considerations in the establishment of such regional units are that they should cover sufficiently large areas to permit able men to be placed with them, whereas a wide dispersal would be impossible, and that they should be able to maintain effective relations with local operations. These two considerations will be difficult to meet in some countries.

Regional planning may well, and probably will, demand a need for some form of regional administration where not already existing. Where action is taken to establish regional planning units, possibly associated with regional administration, opportunities are provided to establish or improve local authorities and if necessary, regional local governments.

Metropolitan Planning:

21. The scope of the subject of the seminar is not wide enough to encompass the very special subject of metropolitan planning, and there is insufficient time. However, it is a special subject unto itself and the need for which is growing at an alarming rate in a number of Asian countries. A national policy is essential. In this field particularly, efficient local authorities are essential, and where these are not available there is an alternative but to handle the problems centrally. This constitutes a further reason why the development of efficient local authorities should be pursued with vigour.

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FOR PARTICIPANTS ONLY

CSLA/2/7

14 OCTOBER 1963

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UNITED NATIONS/EROPA SEMINAR ON
CENTRAL SERVICES TO LOCAL AUTHORITIES

21 October - 6 November 1963

WORKING PAPER VII

Agenda Items 12 & 13: Community development. Relationship with Central and Local Governments. Its influence as a stabilising agent and in creating and developing local government. Development of leadership for local government
Citizen and popular participation

Reference : IULA. Pages 123-128
DNLD. Paras 103-115
CSLA/4
CSLA/5 (leadership)
EROPA CSLA/10 Pages 30-41
IULA. Page 31
DNLD. Paras 116-132: 141-147
EROPA. CSLA/10 Pages 54-59

FOR PARTICIPANTS ONLY

GSLA/2/
14 October 1963

ORIGINAL: ENGLISH

ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

In conjunction with the Eastern Regional Organization for
Public Administration, and the Division for Public Administration
Department of Economic and Social Affairs of the United Nations

Seminar on Central Services to Local Authorities
21 October - 6 November 1963
New Delhi, India

COMMUNITY DEVELOPMENT

1. Community development is a key factor for national development. In most of the developing countries from 60% to 80% of the total population live in rural areas. It follows, therefore that national development demands the involvement of village communities in the march for progress. Villages possess valuable and untapped reservoirs of manpower and other resources, which can, and should be mobilized to plan and conduct activities to meet local community needs, which in turn contribute to national economic and social development. By so doing, a greater receptivity to change is promoted, with people themselves becoming directly involved in the orderly processes of change and thereby causing an acceleration in pace. Probably, the greatest contribution of community development is the development of people to become self-reliant, responsive citizens, anxious and capable of participating effectively in national progress.

2. Community development programmes imply a process of improving the economic, social, and cultural conditions of local communities, with the efforts of the people themselves, assisted as necessary by governmental authorities in such a way that local development forms an integral part of national development. In general, and especially in countries faced with the need for rapid development, central governments must provide the main initiative, impetus, and the necessary assistance for the formulation of effective programmes. Time, continuing education, particularly through

/learning by

learning by doing, and guidance will be necessary to inculcate reliance upon their own leadership, organizations, and institutions, and willingness to contribute their own money and resources in continuing to develop and maintain their community facilities and services which are pre-requisites to effective local government.

3. These programmes are aimed to organize and promote cohesive communities operating under their own leadership. Through democratic processes of discussion and decision, they determine their own development goals within national concepts and objectives; and proceed therefrom to initiate action to achieve them. These programmes also often provide the means for extending to local levels and co-ordinating the operations of scarce central technical services. It is in these stages of development that the assistance of the community development multi-purpose workers, well trained and provided and paid by central government, prove of particular value. Initial operations are frequently conducted through ad hoc councils mainly of local elected leaders which usually constitute the first organized, development-minded and democratic institutions at the lowest levels, having the approval and support of central government.

4. It is, therefore, essential to recognize the vital nature of community development activities in the long term evolution and development of efficient local government, and even concurrently where local government is operating, to inspire, motivate, and even compel further progress. Without such pre-requisites and support, and the dynamism which should be associated with it, local development will remain stagnant and national development retarded.

5. Community development and local government differ in character despite their inter-dependence. A local authority is a formal body and a statutory organization. Political or partly political considerations may, therefore, influence its operations; the power to apply sanctions where appropriate is essential to a local authority in the execution of its statutory obligations. Community development is primarily concerned with human development and is much less concerned with the formal

/administration

administration of the community, although the improvement of local government should always be an important aim. Consequently, popular and active participation and self-help are important features of community development, with a voluntary basis; coercion and sanctions being harmful elements and distasteful.

Moreover, community development programmes may encourage social action and voluntary efforts by groups with common interests. By so doing, a segment of a community may better itself by its own actions, if a state of readiness to act through local government to achieve more widespread and equitable results has not been reached.

6. The need for community development is likely to be greatest where local government is weakest. Yet progressive success of community development programmes may depend largely on, or at least be enhanced by the strength of local government; especially the latter's ability to establish on a regular basis and maintain facilities developed through community efforts. This creation and development of facilities, followed by taking over on a regular basis, adds to the effectiveness and development of local government, and such strengthening provides the inspiration and support for further improving and extending community development activities.

7. Danger to the progress which this partnership should achieve can arise if community development creates general purpose development bodies to carry out on a country basis functions which should be a responsibility of local government. Conversely, reliance upon the authoritative powers of local government, where voluntary effort can best serve, may undermine the community development effort to the ultimate loss of the community of which both are part.

Such dangers can be avoided if the common interest of most effective service for the people is recognized, and the dual roles of strengthening local government and encouraging voluntary effort pursued.

8. Following this principle that for greatest effect a national community development programme should be a part of total national

/development

development programmes, local community development programmes should be planned and executed in close co-operation and co-ordination with the local authorities. Community activities should inspire and develop facilities and services which can become established on a regular basis and maintained by the local authority. This final result can be achieved efficiently only if there has been adequate co-ordination in planning and implementation on a total national basis, from conception to regular establishment.

Where a local authority is not competent yet to play its part, guidance and support for the action of looking ahead to the stage when services etc. can be maintained by the local authority and for planning accordingly, is a service which can be rendered by central government to expedite growth and maturity.

9. There are areas where effective local government bodies at present do not exist or are in their infancy; as mentioned earlier, the need for community development will there be greatest. It should be national policy, therefore, to intensify the launching of community development programmes in these areas with a special determination to enlist citizens participation. The aim should be to achieve a total geographic coverage as early as possible. Special emphasis should be given in these circumstances to the creation of conditions conducive to the emergence and development of local leaders. And planning being the precursor of action, such community development programmes should be sufficiently far-sighted to provide for the evolution of competent local authorities, and be working always towards, and inspiring, the achievement of this goal.

FOR PARTICIPANTS ONLY

CSLA/2/8

21 OCTOBER 1963

ORIGINAL: ENGLISH

UNITED NATIONS/EROPA SEMINAR ON
CENTRAL SERVICES TO LOCAL AUTHORITIES

21 October - 6 November 1963

WORKING PAPER VIII

Agenda Item No. 14 : Special Purpose Bodies

Reference: DNLD. Paras 133-140

SPECIAL PURPOSE BODIES

1. Consideration so far has mostly been directed to multipurpose local authorities. But we should pay some attention to two other types of special purpose bodies at the local level, namely the special purpose local authority and the local representative body which exercises functions devolved by a national agency.

2. The special purpose local authority (not a committee of a multipurpose local authority) has separate legal status and identity. It is usually constituted to solve or control a special problem affecting either a segment of a local authority area or two or more local authority areas. It may have been, for example, the result of earlier community development activities in certain fields, or may have originated as a special irrigation district constituted and directed by the farmers benefitting from it. The natural development of such schemes should be absorption eventually by a multi purpose local authority if the functions take on a general public character. An example of the larger special purpose local authority would be a water district governed by a board or commission consisting mainly of representatives of the local authorities concerned.

3. These special purpose local authorities provide scope for initiative of people to solve their own local problems through co-operative effort and substantial reliance upon their own initiative and resources. But whilst much benefit is derived from them and especially in the matter
/of co-operative

of co-operative action, there is a danger as was mentioned in connected with the discussion on community development activities (see Working Paper VII para 7).

4. The second type of special purpose body is the statutory body exercising functions devolved by a national agency, and is widely used. Example are Electricity Boards, Soil Conservation Districts. And there are examples of certain services previously on a private enterprise basis being nationalized and operated on a regional basis with full public participation and even control.

5. Special purpose bodies meet important needs but they are no substitutes for well organized multi purpose local authorities with adequate powers and resources for the tasks required of them. They may well be an initial step towards absorption into a local authority, or conversion into a co-operative venture by two or more local authorities. Otherwise it is difficult to see the justification for them except when -

- (a) The local authority or any co-operative effort by several local authorities cannot provide the necessary technical ability for administration;
- (b) A programme demands an intensity of effort beyond that reasonably forthcoming from the local authority;
- (c) The desired service has special area requirements for administration differing substantially from local authority areas;

/(d) Public

- (d) Public interest demands a form of representation for the service differing from a local authority council - for example service to a small segment only of the community.

6. A nationally organized special purpose body can be organized in a variety of ways. It must possess administrative competence both technical and otherwise which may come from the central authority, or be appointed specially to the body, or may be drawn from the general public or from special interests. Citizen participation in control may be provided for either by appointment centrally or election, and some may come from local authority councillors. A national special purpose body may operate through area subordinate bodies also possessing a somewhat similar pattern of organization to the national body and providing for local citizens and special interest participation.

7. Special purpose bodies can become too numerous and thereby introduce a fragmentation in administration, and also provide too much for special interest groups. Such bodies should be subject to control and regular review by central government agencies concerned.

8. Sir John Wrigley in his paper (CCLA/1) poses the following for thought -

"The influence of the range of the services assigned to local authorities and on their concentration so far as possible in the hands of a single elected authority for each area. The Conference may wish to consider the relative merits of an all or many purpose authority as compared with a number of ad hoc authorities for special purposes".

un/kkg.

FOR PARTICIPANTS ONLY

CSLA/2/9

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ORIGINAL: ENGLISH

UNITED NATIONS/EROPA SEMINAR ON
CENTRAL SERVICES TO LOCAL AUTHORITIES

21 October - 6 November 1963

WORKING PAPER IX

Agenda Item No. 15: Personnel services for local
authorities training for local
authority personnel and councillors

Reference: IULA. Pages 88-109
D.L.D.. Paras 148-184
247-257
EROPA CSLA/10.
Pages 9-11

1. Trained staff is an essential element in any organisation. Local authorities are no exception to this and obviously without an adequate number of qualified and well trained civil servants a local authority will be unable to carry out its functions properly.

2. The essential conditions for the recruitment of competent personnel for the public service and their continued and efficient service may be summarised as follows:

(1) There must be an adequate career structure which will be sufficient to attract and retain in service the right kind of men and women.

(2) There should be a system of promotions which will permit those who demonstrate the necessary ability, energy and devotion to duty to progress from bottom to top, through merit tempered by seniority, and it should be one enjoying the confidence of the staff.

(3) There must be a reasonable security of tenure for the staff subject to good service and conduct, and a system accepted by the staff as fair and just for dealing with disciplinary cases.

(4) In a service having a wide geographical coverage, there should be an obligation upon all personnel to serve where the needs of the service demand. Where service in different parts of a country under widely varying conditions is involved it will sometimes be desirable to introduce some scheme of financial or other benefits for service in hardship areas as a balancing factor. Only when such conditions are

/established

established will it be possible to secure a reasonably free movement of staff to meet service requirements.

(5) Pay scales should reflect the principle of equal pay for equal work. Generally speaking, given a reasonable career and pay structure and reasonable security, in due course, the doubtful value urge for special allowances for working in hardship places is likely to disappear.

(3) The principles of recruitment and conditions of service of central government employees in most countries fulfil to a great extent these requirements, but those of local government employees have hardly been affected by them. They work under altogether different conditions. This differential treatment of local government servants is an admission that men of lesser ability will suffice for local government service and is wrong. The need to develop or strengthen local authorities as an aid to the improvement of living levels, if anything, demands men of greater ability than those services in well established and static roles.

(4) The point has been well made several times during this seminar that decentralisation of responsibilities and authority from the centre is essential not only for development but for good government itself. In some countries the imperative needs of security and an acute scarcity of resources in manpower and materials prevent the creation of local authorities and devolution of responsibilities to them, even though the principle of instituting strong and responsible local government is accepted.

/The maintenance

The maintenance of the stability and strength of the central government and the creation of a vigorous local government system are not really conflicting aims. Delegation may be the first stage towards local government. It may be, that central government personnel in outposted local administration units also be the future staff of a local authority which evolves and gradually absorbs the local central government unit. Obviously the process will be facilitated if there are comparable conditions of service for the two classes of officials and no difference in status between them and also, what appears to be a most desirable feature, interchangeability.

(5) It should, therefore, be a rewarding exercise to study the question as to what should be the personnel system for local government staff in the light of the conditions and the stages of development of different countries of Asia. As no one system will suffice, the various personnel systems should be studied alternatively. Bearing in mind the basic requirements of personnel, the extensive and varied fields to be covered, and looking beyond immediate conditions to the needs of the future we may consider the suitability of alternative systems.

There could be a single unified civil service for the central and local government. This is an apparently simple solution but is beset with difficulties which can be left to the Seminar to consider. A second alternative is an unified local government service covering the entire country. The third system which is the most common is for each local authority to have an independent and separate staffing system.

/Finally

Finally there are several variations and combinations of these systems.

6. The relative merits of the different systems may be briefly referred to: separate staff systems for different local authorities have the advantage of making local authorities masters in their own house; but on the other side it would be difficult for the local authorities to attract the most competent people for serving under them, especially if they are small and cannot pay attractive salaries.

It would be desirable to have an arrangement for transfers of officers from one authority to another without loss of rank seniority and pension rights. If this could be established through cooperation among local authorities, a separate staff system would have all the advantages of the single unified local government service without actually establishing it.

The single unified service as also the unified local government service would mean that an authority, i.e. the central recruiting and control authority possesses power without full responsibilities, whereas the local authorities have responsibilities without full powers.

The relative merits of these different ways of organising the staff of local bodies may be examined fully by the Seminar.

/ 7. Perhaps

7. Perhaps the solution would be to give local authorities full responsibilities and powers, subject to the regulations of a central authority. It might be fruitful to suggest broadly what such regulations should secure.

8. It also appears to be essential that local government services of all classes and grades should become a properly established and recognised profession. One means of achieving this end would be the creation of professional associations or institutions catering for professional and administrative members of local government service, either collectively or by functional groups. For example, an association of local authority treasurers and finance officers; local authority engineering services; local authority administrative and allied classes, etc. Such associations or institutes should not be of the nature of trade unions although looking after members' interests. Essentially their purpose would be to establish status, competence and progress.

9. It is necessary to inculcate sound principles of public administration and administrative practices that are vital to developing local authorities, and without these a local authority will fail to provide the services required of it. This is a valuable personnel service which could be provided by central governments, including loan of personnel.

/ 10. Training

10. Training as always is a dominant factor wherever staff performance is concerned. Public administration training institutions should be open to local government servants, for much of the work performed by civil servants and local government staff is of a common nature, differing only in application. Activities common to local government and not so common elsewhere should be included in public administration training courses, and in due course local government institutes should be developed with a substantial public administration content.

11. But in developing countries there is a danger of "flying too high". Training facilities should not be too widely dispersed and the degree of sophistication essential should be appreciated. It is better to train 1000 officials to a state of good efficiency for tasks required than to train only 500, using the same resources, to a standard not likely to be required in practice.

12. Probably in no other field will in-service training within the actual working units prove more beneficial than in that of local government. Central governments might well design and help such courses.

13. A common fault in training programmes is a failure to plan the contents of the courses and the failure to apply in practice

/ in service

7.

in service programmes within the departments. The development of a comprehensive training plan and its regular evaluation should be made the responsibility of the head or heads of services according to the personnel system operating (see para 5). Design and control may have to commence in a small way considerably centralised and developed progressively.

14. Finally, councillors. Training is surely needed and deserves consideration. The opinion exists, with some justice, that lower echelons of local government provide excellent experience for elevation to higher levels. This little touched upon feature of training might be worthy of study.

/ksm

FOR PARTICIPANTS ONLY

CSLA/2/10

24 OCTOBER 1963

ORIGINAL: ENGLISH

UNITED NATIONS / EUROPA SEMINAR ON
CENTRAL SERVICES TO LOCAL AUTHORITIES

21 October - 6 November, 1963

WORKING PAPER X

Agenda Item No. 10 Loans to Local Authorities

Reference:

IULA. Pages **182-188**

DNLD. Paras **221-223**

258-270

...

1. The strengthening of the financial position of local authorities demands that in addition to the augmentation of their tax and non-tax resources adequate provision should be made to meet their requirements of short and long term capital. If local authorities are to make rapid advances in providing communal services to their citizens such as hospitals, schools, water supply, drainage and other facilities and also undertake remunerative enterprises as a means of strengthening their financial position it is of the utmost importance that institutions should be established to provide them the necessary credit facilities.

2. Obviously the needs of capital funds of local authorities in developing countries are great and their capacity for meeting them very low because of the economic backwardness of these countries. It is clearly impossible for them to meet even a part of these requirements from their meagre ^{current} revenues. There are no revenue surpluses from which a capital fund can be built up over a period of years, the accumulation of a sizeable surplus from earmarking a percentage of current receipts would take a long period of time and render development slow. They must therefore resort to borrowing the funds needed by them for developmental purposes on the content with a slower rate of progress.

/ 3. Local

3. Local Authorities, excepting perhaps the great city corporations, cannot raise the funds needed, in the open market. Even if the Central Government were to guarantee the loans of local authorities, they could not obtain all the funds that they need ~~the~~ open market. In most developing countries there is no organised capital market from which they could borrow. Even if they could raise funds, they would have to pay very high rates of interest that would make it uneconomical. There are only two alternatives: the direct provision of loans by the central government or the setting up of a central loans agency to provide credit to local authorities.

4. The direct provision of loans by the central government to local authorities is the method most widely prevalent perhaps it is also the only method ~~that~~ ~~under the circumstances~~ ~~prevailing~~ in developing countries that is practicable. The central government may set apart the necessary funds in the annual budget, or borrow from the open market and make available the funds needed by local authorities, or both. This will enable the central government to coordinate the developmental activities of all local authorities, and allocate scarce resources in the light of national policy. Central advice and guidance in regard to the contracting of debts, the purposes of the loans, the manner of their utilisation, etc. would be available to local authorities and would be effective.

/ 5. The second

5. The second alternative is the establishment of a central loans agency to provide the long term credit needed by local authorities. Such an institution has several advantages. It will help to strengthen the credit-worthiness of local authorities and financial position. It can make use of all the possibilities offered by the capital market which individual local authorities could not, can influence conditions prevailing in the capital market in favour of local authorities; and would strengthen their capacity to raise long term loans. Such an institution can also provide temporary advances needed by local authorities caused by the time lag between the flow of their tax income and the outflow for meeting their expenditure. Such an institution can further draw on the domestic savings of the community through the facilities it offers and could attract foreign capital for developmental purposes.

6. It is possible to organise a central loans agency in one of three ways: (1) it could be established and controlled by the central government; (2) it could be established by government but given a constitution enabling it to function autonomously; and (3) it could be organised on a cooperative basis by local authorities themselves. The last would be appropriate to countries where local authorities are well established and the first to countries where they are relatively new.

/ The structure

7. The structure of the organisation, the agencies of management and procedures may be adjusted to the needs of different countries and the personnel available. Quite clearly a large measure of central assistance both financial and managerial and in policy matters would be required if such credit agencies are to function efficiently.

8. The functions which a central credit agency should undertake include (1) the provision of short term credit to enable local authorities to meet their temporary needs; (2) to provide them with long term credit on easy terms; and (3) incidental to the second to provide expert and technical assistance in regard to the engineering and other questions involved in the development programmes of local authorities, and in regard to debt policy, legal, accounting, budgeting, revenue and other services.

9. The capital needed by a central loans agency could be provided either by the State, or by the State and local authorities in some agreed proportions, or entirely by the local authorities themselves. All these methods are in vogue. The central government could also place amounts at the disposal of the loans agency from its current revenues.

10. It may be interesting to note that central loans agencies have been set up in a few developing countries in Africa notably in Kenya. In India there is a proposal to set up a ^{yati} ~~Pancha-~~Raj Finance Corporation with its capital partly subscribed by the central government and partly by the new rural local authorities to serve as a

/ long term

loans agency for Panchayati Raj institutions to undertake public utility undertakings; construction of shops, motels, etc; purchase of tractors, pumping sets and bore well units; plantation and afforestation; scientific pisciculture and small scale and medium industries. The Finance Corporation will maintain experts to advise Panchayati Raj institutions seeking loans, on the financial, technical and other aspects of the projected undertakings.

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FOR PARTICIPANTS ONLY

CSLA/2/11

24 OCTOBER 1963

ORIGINAL: ENGLISH

UNITED NATIONS/EROPA SEMINAR ON
CENTRAL SERVICES TO LOCAL AUTHORITIES

21 October-6 November, 1963

WORKING PAPER X'

Agenda Item 16 Professional and Staff Associations for
 Local Authorities Personnel

DNLD Paras 274-280

Agenda Item 17 Central Assistance in the field of purchasing

IULA Pages 133-136

EROPA,CSLA/10 Pages 12-13

Agenda Item 18 Central Assistance in improving administration
 generally, especially in co-ordination,
 organisation and methods employed, including
 technical services

IULA. Page 137 (Para 3)

EROPA. CSLA/10, Pages 7-9

Agenda Item 16 Professional and Staff Associations for Local Authorities Personnel

1. The value of professional associations and institutions to help in improving the professional status of members was recently discussed. It was then thought that caution was necessary to preserve the standing of such associations and that it was advisable that they should not partake of trade union functions or acquire any political associations. Nevertheless, there is a need for the development of staff associations which would exercise the functions of trade unions of the responsible kind, and with whom central government local authorities agency and local authorities could co-operate and where necessary, negotiate on staff matters.

But whilst it would be possible to make a modest start with professional institutes or associations in most countries, either soon or at not a very distant date, most countries were not yet ready for the trade union type, although this was a desirable development. Ad hoc staff consultations were operative in some countries.

2. A staff association can cater for all members of local government staffs, or a professional specialization therein, or particular levels of staff. Its main purpose is to create a co-operative basis for negotiations with senior to top level officials and even government itself, if the occasion arises, on matters concerning the conditions of employment of the grades it represents and to secure the best possible working conditions. Another important function is joint discussion with employers to improve

.....work

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work methods and outputs and problems affecting both sides generally. It is possible for a professional institute or association to carry out this role also, but within this region it is better for the time being to keep the roles separate.

3. Both kinds of associations have important parts to play in improving the competence of members by helping in training matters. Generally speaking, the professional institute or association would concern itself mainly with improving competence by external training courses, conferences, dissemination of documents and ideas; whilst a staff association would be mainly concerned with training measures and facilities provided within or for organizations, and related particularly to specific subjects or departmental functions.

4. Generally speaking, the development of responsible staff associations would be all to the good; where they do not exist, the timing of their birth and the political climate at the material time are important. The potential membership should be sufficient to make an association viable, and there should be a willingness in the appropriate official quarters to accept, or at least try out, this new development. There is little doubt that much good can result from this kind of collaboration and co-operative effort, but early failure could set back a desirable scheme several years.

Government financial support would be undesirable for such an association, but facilities could be provided by government permitting a limited number of association officials

.....to have

to have time off ordinary duties for association affairs. Where no such kind of organization exists, a useful way to experiment would be to introduce a scheme for staff consultation whereby government agencies could seek the views of the staff in connection with matters involving the staff, including those concerning better methods of work.

1. A number of countries in the region have established central purchasing services which in some cases have been made available to local authorities. There are of course stronger reasons why central government agencies should be required to utilize central services for purchases than is the case with local authorities. But it is by no means certain that central purchasing services are always best.

2. Where a central, purchasing agency has been established, it is only reasonable that its services should be utilised whenever a better service results than could otherwise be obtained through local suppliers. Prima facie, whilst many reasons are advanced why articles can be procured more cheaply and efficiently by a central purchasing agency, this remains to be proved in the light of circumstances in the different countries and the place where the goods are required.

3. There can be little doubt that quick moving supplies such as stationery can be provided efficiently and probably more cheaply through a central source, provided the quantities required and the distance from the central point of distribution is not too far. Central supply of items of equipment in fairly general use can also be advantageous in the interests of standardization which in turn facilitates maintenance. But otherwise it would be better to leave it to the choice of local authorities, whether central

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.....services

5.

services are used or not, provided they make occasional evaluations of relative costs. Where the needs of a local authority are considerable there seems to be no reason why a central purchasing agency should not have to submit a competitive tender together with possible suppliers.

4. Goods subject to supply licenses, whether imported or not, or where a black market exists, or which possess excessive scarcity values, normally should be ordered through central government sources. But special care will be needed to ensure that only the quota approved for public use is utilized in total and that the private sector is not denuded of its prescribed quota through unauthorized diversion.

5. A particularly effective service which can be organized by a central supply service is to make open supply contracts for general supply goods with private suppliers upon which local authorities can demand directly and account directly. This saves considerable delay and distribution costs, and reduces central inventories.

Another service is that of testing ranges of commodities and goods and circulating specifications and comparative values. Often apparent price is only one factor in cost determination and it may be best to pay a higher price initially for a better article; a central service with laboratory and other testing services available can help considerably in such cases.

.....Generally

6. Generally speaking, if highly specialized items are obtained through central services they should be obtained through the particular technical agency concerned; for example, medical stores; some specialized electrical equipment.

7. Whether supplies are purchased locally or through central services if possible there should be some inspection on receipt where the quantities are considerable; at least for quantity and general condition. Specifications should also be sample checked wherever possible. Central Government agencies and their local representatives, if any, could be of assistance in this field.

8. Concluding, there can be no general conclusion in this matter. The decision must depend upon the circumstances in the different countries. But if a local authority is large enough and has the necessary skilled personnel, the onus of deciding the best course should be left to the authority with the usual safeguards against unfair trading and privilege.

CENTRAL ASSISTANCE IN IMPROVING ADMINISTRATION
GENERALLY

1. The various measures discussed earlier concerning relations between central government agencies concerned with local authorities, will have beneficial impacts upon local administration generally. So will the more active participation in planning, and the creation of professional and staff institutions and associations.

An association of local authorities which will be discussed at a later session will also be of material assistance.

2. There are, however, other measures which can be taken to improve local authority administration and which in developing countries will certainly be needed even in many of the larger cities.

In the context of providing central services for this purpose, it is hardly likely that the competence of the central services can be exceeded by the one assisted unless some special feature is introduced.

3. Such a special feature is possible through the executive head of the local authority concerned although it is appreciated that where this head is elected it may not be possible.

It has been discussed how, in many countries, the

8.
first step in development of local authorities will be decentralising functions to them, followed by devolution. As the local authority grows in competence, so can control by central government agencies and by their provincial staffs be reduced and finally disappear.

During this vital stage the selection of the person to be the executive head should be made primarily on management ability, and a plan should be made now to train such men accordingly. As increased status and pay to what might otherwise be considered normal would not be out of place.

4. Usually local authorities will not be large enough to maintain their own O&M units, and in any case this may not be advisable, as the wider experience such a unit gets, the better.

Such units should be organised and trained and be made available to local authorities on a consultant basis and possibly operate on an area basis. The headquarters of these O & M units should also include experts in office and accounting machines (and not the most highly sophisticated ones), design of forms, filing, registration and handling of papers, and such experts should be made available similarly to local authorities.

It should be remembered that it is far easier to start a system right, than to rectify it later.

5. Training has already been discussed earlier in the section on personnel administration but it is so important as to warrant mentioning again. The central government agency concerned with local government should have a small unit capable of organising and coordinating all forms of training of value in accelerating the growth of efficiency in local authorities administration.

6. Local authorities generally are unlikely to have any facilities for research which will be needed in some matters; for example, comparative studies of costs for collecting different taxes; costs of different pay roll systems (which vary widely); studies of likely incidence of evasion as between taxes; assessment of values of different incentive schemes; and so on. Such a service should be provided by the centre, and a most suitable unit to accommodate this service would be O & M as described in para 4.

7. A further central service that might be of value would be to assume payment on behalf of local authorities, either centrally or through area offices, for their pensioners on repayment by local authorities of sums disbursed.

8. Much expert assistance will be necessary in securing the proper working relations with public utilities organisations operating in a local authorities area or covering several such areas. Some of these will be special purpose bodies. This subject is to be discussed later.

10.

9. This field of improving administrative competence is one particularly suitable for technical assistance, especially where countries are already experienced in improving their central administration.

FOR PARTICIPANTS ONLY

CSL./2/13

4 NOVEMBER 1963

ORIGINAL: ENGLISH

UNITED NATIONS / L.R.P. SEMINAR ON
CENTRAL SERVICES TO LOCAL AUTHORITIES

21 OCTOBER - 6 NOVEMBER, 1963

DRAFT REPORT

1

THE INDIAN INSTITUTE OF PUBLIC ADMINISTRATION
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RING ROAD
NEW DELHI (INDIA)

C H A P T E R I

General approach and understanding of the role of Local Government

General aspects:

1. Most countries of South and South East Asia have some forms of both urban and rural local government. In some countries local government has a long history and in others it is of recent origin. In some, local government arose on the foundations of traditional and simpler forms of communal self-government. It cannot be said, however, that local government is always firmly established and functioning efficiently or that it is always based on the fullest participation of local communities. In most countries local government is still only in early stages of growth. Civic consciousness needs to be aroused. A well planned and determined programme is required in each country to develop local government in the form best suited to the country's needs.
2. It is necessary to look well forward, and to have clear ideas of objectives which should be enshrined in national programmes of economic and social development. In a number of countries political stability and security tend to dominate all activities, and the approach to local government has to be undertaken with caution and selectivity.
3. The importance of a sound system of local government is now generally recognised and can, if efficiently operating, be a national stabilising and integrating factor. Popular

/ participation

participation in politics and a diffusion of political power thereby becomes possible, and a practical training ground for national leaders created. But the active steps necessary for implementation could undoubtedly be accelerated.

4. Devolution of responsibilities to local authorities, together with the necessary resources, would relieve central government of the burden of attending to the details of local problems and make possible solutions with sounder knowledge and efficiency. Such devolution would increase the speed and effectiveness of administration at all levels, and facilitate the coordination of technical services at the field level.

Effective local government is an important instrument of national development and provides means to mobilize and improve manpower resources, and increase national productivity.

National programmes of economic and social development could become more effective, and receive greater public understanding and support by enlisting the participating of local authorities in their formulation and implementation.

5. The potentialities of local government for assuring the stability of newly established political systems, improving public administration, and accelerating economic and social development has led some governments to devote attention to the development and strengthening of local government on a planned basis, and the concept of central assistance to local authorities

/ has acquired

a new meaning and significance. But more vigorous and determined efforts are required for implementation.

6. A philosophy of local government and its proper place in the governmental system of a country is necessary in order to determine the right system of central-local relations. Local government should provide the ordinary citizen with opportunities for participation in the administration of local affairs and for service to the community. Local authorities should be controlled by elected or otherwise locally selected representatives responsible to the local community for their conduct of affairs.

7. Within this concept the respective roles of central and local governments should be determined. The functions which central governments must undertake in developing countries are wider in scope than in advanced countries. Besides the traditional functions such as defence, law and order, justice, the improvements of economic and social life and the like, central governments and on their behalf, local government units have a wide variety of new functions in the interests of social and economic development, and must take the initiative to stimulate and accelerate the pace of development.

8. There can be no absolute and precise division of responsibilities between central and local governments. Most functions of local government are in a sense shared with the central government which bears the ultimate responsibility for adequate performance of functions allotted to local authorities.

∠ There is

There is a mutuality of interests between the central and local governments and central-local relations, therefore, should be on a basis of a partnership and not overlordship and dictation.

9. In view of the differing historical circumstances, political and social conditions in which local authorities have come into being in different countries, it is unlikely that central-local relations will develop in the same manner in all countries. Nor is it desirable that uniform patterns of central-local relationships should be the aim in view of these variations.

10. The long term programme for the development of local government earlier suggested, must include a plan of action to provide all necessary central government technical services required by local government units during the various stages of the plan. ^{I/L} In many countries shortages of essential skilled manpower are restrictive factors. A manpower plan therefore should also be included in the comprehensive plan to ensure that in due course, all needs will be met, and an enlightened

I/L. The term "central services" comprehends technical and financial assistance and supervision and control. The assistance at a central level may be rendered by central government agency or by an autonomous or quasi-government agency such as an Institute or an association of local authorities.

Progressive

progressive personnel policy is essential. The programme for the development of local government must find a place as a key requirement in national development programmes.

11. The manner and extent of central assistance required to support local authorities vary widely. But in few countries does it seem that central assistance is provided with real understanding also of its purpose to develop effective local authorities.

(This is not surprising where deficiencies in technical manpower and other resources are pronounced and the need for long term comprehensive planning becomes emphasised.)

12. All cities and metropolitan areas seem to be administered by local authorities but within wide extremes in the conditions and powers under which they operate. Few have effective control over their own affairs, and few are free from considerable control and sometimes excessive interference on the part of central government agencies. Insufficient attention also appears to have been given to their rapidly increasing problems and urban/rural relations require intensive but speedy study.

(This would seem to be a special field in which there should be an acceleration in pace towards near autonomy associated with determined efforts to solve the acute problems so often confronting cities.)

13. Development of rural areas has received considerable support in some countries without until recently corresponding progress towards local government. The two activities should be closely

associated for local government is both an instrument ^{and} / an essential objective of development

14. The programme to achieve an effective system of local government should be accompanied by a periodic and systematic appraisal of the effectiveness of the methods used. Methods used. Methods proved to be inadequate should be given up or changed and there should be readiness to experiment with new methods. Calculated risks will have to be accepted to achieve progress. Interchange of information and experience between different countries of the region should also prove valuable.

15. A willingness on the part of the central government to transfer by stages wide areas of responsibilities to local authorities, perhaps at first under strict supervision which may be relaxed as the local authorities gain confidence and experience, is fundamental to the success of local government. In countries where elected local bodies have not yet been sufficiently developed, delegation may in the first instance have to be to local field agencies of the central government, transferring powers later to appointed, or partly appointed and elected local agencies. The eventual devolution of responsibilities under the general development plan should follow as local authorities take shape and gain administrative experience and self-confidence.

16. Sometimes it is possible, and indeed desirable that local authorities should spring from the people's own efforts.

/ Well planned

Well planned community development efforts and cooperatives can be useful instruments for initiating and strengthening local government.

17. Any system of devolution adopted should be flexible, and provide for adjustments necessary to meet circumstances and needs of particular areas. However, the aim should always be to develop local authorities which can handle their own affairs with confidence and competence and make a significant contribution to local national development.

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CHAPTER II

A GENERAL SURVEY OF CENTRAL SERVICES TO LOCAL AUTHORITIES IN THE REGION

Summary of Country Papers

1. In the countries participating in this Seminar¹ the pattern of central government varies considerably from one country to another. The form of government is federal or quasi-federal in a few and unitary in others. Most countries in the region have a representative system of government. Some have a parliamentary system of government in the traditional sense. The legislatures of these countries are based on universal suffrage and governments are responsible to them. Certain other countries have a presidential system with elected legislatures whose powers are confined to the legislative sphere.

2. The pattern of local government is equally varied. The stage of development and the strength of local bodies differ greatly. In every country there is a measure of local self government, but in few is it well fully developed or firmly established. Local government would appear to be in its infancy in most states. In recent years there has been a commendable effort to set up local self governing institutions or to strengthen them. Indeed in some countries the effort to build local

/ institutions has

1. Viz. Afghanistan, Ceylon, China, India, Indonesia, Iran, Japan, Korea, Malayasia, Nepal, Pakistan, Philippines, Thailand, Viet-Nam.

institutions has been on such a scale that it could be described as an administrative revolution. It may also be mentioned that in almost every country a definite policy of decentralisation has been adopted.

3. Naturally the system of local government in the different countries of the region shows the influence of historical and geographic factors and of their cultural environments. In some countries local authorities are comprised wholly of elected members; in some others they consist of partly elected and partly official members; and in a few they are composed wholly or predominantly of official or appointed members. In some countries the devolution of power to local authorities is considerable while in others it is limited. In a few countries local government has been given a constitutional basis. In most countries, however, it is established only by ordinary legislation. In a number of countries local government is regarded as an integral part of the governmental system and local institutions are subordinate instruments of the central government. This is often the case in the early stages of the development of a local government system and at such a stage there is more deconcentration than devolution of authority.

4. In those countries where there has been in existence a traditional system of local government, although of a rudimentary / kind, the new

kind, the new system of local government has sought to use the traditional system as its base. Local government above the village level is an innovation in many countries of the region.

5. In approximately half the countries in the region, the development of local government has been made the responsibility of a separate ministry or department of the central government. In the rest it is the responsibility usually of the Ministry of the Interior or of the Office of the Chief Executive. The existence of a separate ministry or department of local government seems to accelerate the development of local government as compared with the countries where it is the responsibility of the Ministry of the Interior or of some other central department.

6. Central services to local authorities are, for the most part, similar, though their extent varies from one country to another. These services are rendered by the Ministry or Department of local government and by the different technical departments. Requests for financial and technical assistance by local authorities are sometimes channelled through the ministry or department of local government. While this has the advantage of securing due consideration of such requests, it not infrequently results in considerable delay. Central assistance, particularly financial assistance, is—in a number of countries—determined by political considerations.

/ 7. Financial assistance

7. Financial assistance rendered by central governments has taken a number of forms: shared and assigned taxes, the centre sharing the proceeds of some of its taxes with local authorities in some fixed proportion or transferring the entire proceeds of certain taxes levied and collected by it; grants-in-aid in the form of either a bloc grant in support of the general finances of a local authority or specific grants for particular services, and loans in most of the countries. In allocating financial assistance, the special circumstances of local authorities and their needs are generally taken into account in some measure in all countries as also the maintenance of certain minimum standards of local public services throughout the country. Grants-in-aid and loans generally involve a measure of inspection and control of the work of local authorities by the central government. Central assistance to local authorities through grants is quite considerable and amounts upto 80% of the total expenditure of local authorities in some countries.

8. Local bodies depend for their finances partly on their own powers of taxation and other non-tax sources of income like licences, fees and income from remunerative enterprises. Their tax powers include rates or taxes on property and houses, taxes on professions and callings, taxes on animals, vehicles, and boats, taxes on entertainments, taxes on goods, etc. In

/ most countries

most countries these appear to be the basic taxes which local authorities have been empowered to levy. Local authorities also have power to levy licences or fees in the exercise of their regulatory powers as for instance for shops, markets, carts, dogs, etc. and this is one of the minor sources of their income. Local authorities, especially urban authorities, derive a considerable revenue from public enterprises and utilities in some countries. This is a source capable of further expansion in most countries.

9. In general the financial resources of local authorities are inadequate for the responsibilities which they have to shoulder.

10. The forms of central assistance, other than financial, are numerous. These include assistance in the field of local government personnel, research and information general advice and guidance, technical assistances in the different fields of local government activities such as education, public health, welfare, and public works, assistance in regard to budgeting, accounting and audit, programme improvement, legal advice, procurement of stores, etc. However, the quality and amount of such assistance varies widely; in general, extent is very limited and not commensurate with the needs of the inexperienced local authorities in most countries of the region. Central assistance / is generally

is generally welcomes and is regarded as beneficial not only to the recipient local authorities but also to the Central Department or Agency rendering the service in the fulfilment of its objectives. A trend towards the expansion of central services to local authorities is noticeable in all countries.

11. The difficulties often experienced by local authorities in many countries are delay due to red tape required to obtain assistance, duplication due to lack of coordination between different central agencies rendering assistance, and sometimes the dominance of political considerations in deciding the quantum of assistance, especially in financial matters.

12. In the field of personnel local authorities would seem to be in need of considerable assistance. Local governments are both qualitatively and quantitatively understaffed in most countries of the EROPA region. Local authorities are not in a position to set up training programmes for their staffs due to lack of resources in the technically qualified personnel equipment and other resources needed. Central governments in the region have not yet undertaken any comprehensive and planned staff development programmes.

13. There are, however, some notable efforts to provide both in service and pre-service training for local government servants and some institutions have been set up for the purpose in

/ a number of

a number of countries. In one country legislation has been adopted for "a continuing programme of employee training and supervisory career and executive development". This however, has not been put into effect. Pre-service and in-service training and comprehensive staff development programmes are regarded as urgent needs.

14. In a few countries of the region independent commissions have been set up for the recruitment of local government staffs. In Ceylon the higher grades of the local government service in the country have been constituted into a unified service under a separate public service commission. There is secondment of senior administrative and technical personnel of central governments to serve under local authorities for brief periods in several countries.

15. Assistance in technical fields is also being extended to local authorities, including assistance in public works, town and country planning, water works, slum clearance and housing, health, education, social welfare and, in rural areas, agricultural extension and related activities. Such assistance is well developed in some countries of the region.

16. Some measure of help is rendered, though not specifically in programme improvement. There is a need for experts in organisation and management. Both research and evaluation would need to be considerably strengthened. To some extent these

/ services are

services are rendered by central governments, universities, and institutes of public administration in the different countries of the region.

17. Only in a few countries of the region are there associations of local authorities or associations of local government employees. With rare exceptions, those that exist are not yet in a position to help in developing effective local government. There is considerable need for the planned encouragement of associations for cooperative work.

18. The structure, organisation, finance, personnel, and planning of local authorities all require progressive improvement in most of the countries in the region. Such action alone would make possible extension of services to rural as well as urban areas. In all these fields, study is required as a basis for the formulation of schemes of local government suited to the differing conditions in the various countries of the region.

CHAPTER III

THE LOCAL GOVERNMENT SYSTEM AND ITS LEGAL BASIS

1. The framing of a local government system for a country raises immediately all the problems connected with local government: area, structure, levels, functions, finances, central-local relations, and methods of supervision and control. An idea of the objectives to be realised through local government and of its place in the Government of the country is essential before these problems can be solved. Without a philosophy of local government and a firm conviction of its necessity the task of framing a local government system cannot be undertaken with any prospect of success.
2. The first question that has to be answered is whether general provision for the local government system should be included in the Constitution of the country or whether it should be left to ordinary law. It has been urged by some that provision in the constitution for the local government system would help to strengthen it. The more common view, however, is to leave the local government system to be dealt with by ordinary law supplemented by rules and regulations. It is also the more common place. On balance it seems advisable to include in the constitution a statement of national policy in favour of decentralisation as rapidly as possible to locally elected bodies. This would emphasise both the democratic character of the constitution and indicate the direction for future growth. It should be emphasized, however that only a general statement of
/ policy

policy or declaration of principles should be embodied in the constitution. To assure flexibility and freedom for growth, the structure, powers and functions of local authorities should be left to be dealt with by ordinary law or regulation.

3. This is not to be understood as suggesting an amendment of existing constitutions to include a provision in regard to local government. It is suggested that in drawing up new constitutions it is desirable to include general provisions relating to decentralisation local government in the body of the constitution. The provisions should be so framed that they will require little amendment with the passage of time.

4. It is necessary to emphasise here that the maintenance of a system of local government should be common ground between political parties and between central and local authorities. Recognising that changes in relationship between central and local government may and should occur through the operation of political processes, the local government system as such requires stability and should not be subject to the vagaries of national politics.

5. The question of areas and the levels of local authorities are inter-related and depend upon historical, geographical and ethnic factors as much as on technological and administrative considerations and the presence or absence of a sense of community among the people concerned. There is no universally applicable rules according to

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which the areas of local authorities and the number of tiers can be determined for all countries. Every country will have to determine these questions with reference to its own particular situation and requirements.

6. From the experience of countries in various parts of the world, including newly independent countries, it may be inferred that two units of local self government, one small and the other large are ideal. The former should be the largest level in which a sense of community exists and the latter should cover the largest area from which most technical services that are required can be provided efficiently. It should not, however, be so large that elected councillors cannot meet frequently.

7. Consideration should be given to the size of areas for the efficient administration of the different technical services for which local authorities are, or will be responsible, for example, education, major roads, public works, electricity and others in which decentralisation may be effected. The United Nations document on Decentralisation for National and Local Development contains papers in the annexures on the optimum areas for the efficient administration of elementary and secondary education, public health, social service and agriculture. These were prepared by the representatives of FAO, UNESCO, WHO and the Bureau of Social Affairs of the United Nations. The document concludes on the basis of these papers that where

/ technical

technical services are to have common areas it will be most economical if the size of the area is at least as large as is required by the technical service having the largest area requirement for its activity at that level. The study has suggested that the smallest common area for administering these services (agriculture, education, health and social services) economically is likely to be one comprehending about 50,000 people. The area would need to be adjusted to the density or sparsity of the population as well as ease of communications and other relevant factors.

8. In defining local government areas, a size that will make possible the efficient administration of a large number of technical services should be chosen for the larger local authority.

9. Other important criteria in determining areas, such as financial resources, ease of supervision and difficulties of inter-local cooperation, reinforce the case for newly developing countries opting for areas as large as possible in order that they may become strong and viable.

10. Local financial capacity to support the services appropriate to local government is an important criterion in determining local government areas; however, it is secondary to the area requirements for the performance of the technical services themselves, provided finance is taken care of by assistance such as the assignment of taxes and grants-in-aid from the central government may be needed.

11. There is

10. There is a second aspect of the area problem to which attention must be paid: the relationship of urban to rural authorities. Concentration of population in urban areas permits and necessitates greater devolution of authority. It is generally accepted that fully developed local authorities such as municipal corporation should have direct relationship with the central or, in federal systems, state governments. Those for smaller urban areas, for example, market towns should have elected councils of their own and administer most of the environmental and welfare services. But whether these should be tiered under the jurisdiction of higher level local authority is debatable. On the whole, it would appear to be most advantageous to recognise them as parts of the larger authority for certain purposes and allow them a greater measure of autonomy in local matters than is normally permitted to smaller local authorities.

12. The tendency towards the concentration of modern industry in the larger town and especially in metropolitan cities and the resulting phenomenal growth in the populations of the cities create problems which touch local government in many ways. Cities become unmanageable administratively and there is a depressing of civic standards which are none too high due to the influx of populations which the cities are not prepared to receive. Cities grow haphazardly without plan, devoid of beauty and the elementary conveniences of life. Slums increase; and the social and political tensions that are generated make municipal administration difficult. The problem of the

/ size of

size of urban local government units has to be seen in the light of these and also in the light of the future development of the cities. Decisions regarding location of new industries and of concentrations of public services and facilities can attract the population to new urban centers (e.g. modernized market towns or new towns) and thus lessen unhealthy growth in the old centres. It is of the utmost importance in developing countries that the problems of modern industrial development and the growth of cities should be dealt with in a planned manner from the outset.

13. The considerations that should weigh in the determination of levels or tiers of local government are; the availability of financial resources, technical considerations, the availability of competent technical personnel and local leadership, economy and efficiency in administration, simplicity and the capacity of the public to understand and operate the system. The levels should not be more than are indispensable for the performance of the public services. Too many levels confuse the public, lead to inefficiency by dividing responsibility, increase expenditure and make heavy demands on the scarce administrative and technical personnel. Where there are too many levels, some of them may not have adequate work, the authorities tend to become ornamental and cease to be functional. For these reasons the multiplication of levels should be avoided.

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14. For technical services three levels have been identified;

(1) the level at which technicians come into direct contact with the public; (2) the level at which supporting services like supervision, supply, training and applied research operate; (3) the level at which overall development services operate including comprehensive policy formulation, legislation, financing, national planning and major public work.

15. The powers and functions devolved upon local authorities must depend on factors such as the size of local authority, its financial resources, its experience and competence in administration, etc.

These vary from country to country. In some developing countries the actual powers and functions of local authorities are meagre as compared with the powers which could be entrusted to them. A precise division of functions and powers between central government and local authorities within the province of each is neither practical nor desirable. But to demarcate certain powers and functions as primarily the responsibility of local authorities is both possible and desirable. And this field should be as wide as possible. The powers to be assigned should be determined on technical and administrative considerations and should not depend on political convenience.

16. Many functions or aspects of functions which at present are largely in the hands of central (or state) government and its field agencies could be decentralized in varying degrees. These include a variety

/ of services

of services affecting the development of agriculture and natural resources; town and country planning; communications, economic development, public health, social services, public works, the management of properties, public buildings and others. In some countries, a system of devolution of territorial rather than on functional lines is being followed so that a unit there performs most functions of government in its area.

17. Some functions or aspects of functions could be handed over to local authorities wholly, but with respect to most, especially the technical services, a sharing of responsibilities between the central government and local authorities would be necessary. The devolution of functions with corresponding powers should be as extensive as possible, and as technically qualified personnel become available and local competence increases, the transfer of responsibility to local authorities should increase.

18. The framing an appropriate scheme for local government and for extension of services to nomadic and other special ethnic groups, including hill tribes, poses special problems for a number of countries in the region. It is suggested that a comparative study of methods of dealing with these problems be carried out and a regional meeting be held to review the results.

Legal and administrative Provisions to strengthen local government.

19. It has been pointed out earlier that one of the first questions

/ to be decided

to be decided in establishing a system of local government is whether it would be given a basis in the constitution or only in the ordinary laws of the country. Apart from the basic laws or statute directly concerned with local government, various other laws enacted by the national or state legislatures affect the scope of the powers vested in local authorities and their exercise. These may be simply regulatory of the services provided by local authorities or definitely restrictive. Laws which increase the authority and responsibility of local authorities for rendering services can add to the strength of local governments, if they provide also the financial means to cover the expenses involved and there has been due prior consultation with the local authorities concerned.

20. Developments in technology, the movement of population, and the growing complexities of modern life render it difficult in urbanized areas for local authorities established under simpler conditions to provide the services needed by a more advanced society unless basic changes are made in the structure of urban government. Generally speaking the growth and development of local authorities creates vested interests and there is frequently much opposition to proposals for change, particularly where a high degree of civic pride has developed as a result of the successful operation of local authorities. Legal powers may, therefore, be necessary to bring about needed changes either through agreement of the local authorities concerned or compulsorily. Use of such powers is sometimes an alternative to the direct assumption

/ of functions

of functions by the central government. Such powers are necessary to enable local authorities to meet new problems that arise and to adjust themselves to changing needs.

21. Laws may provide for local authorities to cooperate either for a specific purpose or more generally and can extend to the joint management of particular services and enterprises. This system is applicable both to large and small authorities and permits the freedom of action of the cooperating authorities to be retained.

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CHAPTER IV

ORGANISATION AND FUNCTIONS OF THE CENTRAL GOVERNMENT AGENCY DEALING WITH LOCAL GOVERNMENT

1. A central ministry or department of local government is an indispensable instrument for fostering the growth of local self-government. This can be a separate Ministry or it may be combined with a Ministry dealing with general internal affairs or with specific and related matters. The creation of a central ministry or department charged with the responsibility of developing local government will depend to some extent on circumstances in each country. But where local government units are expected to play a large part in economic and social development or a new start is being made to set up a system of local government or to improve an existing system by intensified efforts it is advisable to create a separate ministry or department and to place the responsibility for local government on it. This course has been adopted in many countries. The singleness of purpose and the specialised knowledge that such a ministry will bring to its task of developing local government will facilitate its accomplishment. It has been observed: "The mere existence of a Ministry whose whole business is to promote, advise and supervise local authorities should (and usually does) make an enormous difference to the atmosphere in which local government works"¹

1. Hicks: Development from below.

2. A central ministry or department has to serve as a guide to local governments in the solution of their current problems and as coordinator. It must be their adviser on future development. It must advocate their interests with the central government and the central ministries which have powers over them or connections with them

All support functions that local authorities require and are not performed by other central agencies should be allocated to this ministry or department. One of its important duties will be to see that in planning their activities the technical departments of government take into account the present and future responsibility of local government although as explained later, the technical departments would normally have direct contacts with local authorities. For this, the ministry or department of local government would need technical officers with special skills as advisers. When appropriate these officers should be obtained through deputation from the central technical ministries. These officers have an important role to play, particularly as local government gains in strength. They provide the essential link between local government and the central ministries on technical questions. While the creation of an atmosphere in the nation that is favourable to local self-government is a responsibility of all central ministries, it should be the special concern of the central ministry for local government.

3. If, however, it is necessary to combine responsibility for local government with that for other activities, it should be combined only with
/those that are

those that are directly related to and compatible with local government such as a department of Community Development.

4. It will facilitate coordination of urban and rural development if the problems of rural and urban local authorities are dealt with by the same central ministry or department. However, where special emphasis is to be given to rural or urban development separate ministries or departments may be necessary for a time for the support of these programmes.

5. In federal states, a ministry or department at the federal level charged with responsibility for national support of activities relating to local government will be helpful. The organisation and functions of such an agency and its relationship with state and local government will differ between federal states but the subject is one meriting comparative study.

6. The policies of different ministries towards local authorities will need to be related to the purpose of building up local self-government. The importance of this task that will grow as the stature and competence of local authorities increase. The latter's views would also need to be harmonised with those of different central ministries. It is of the utmost importance to maintain a just and proper balance between the central ministries with their own specific functions and those of the central ministry for local government. It is a task that necessitates constant consultations and exchange of information on their programmes between the ministry or department of local government and other central ministries.

/The central

The central technical ministries should in regard to their functions maintain direct contacts with local authorities to avoid delay and red tape and should normally not have to channel routine matters through the central ministry or department of local government. The latter should, however, for purposes of coordination be kept informed of important development and of changes of policy that are planned by other ministries in their relations with local authorities. Matters of importance should be discussed with the Ministry or department of local government before action is taken so that the full consequences can be assessed.

7. The central ministry or department has the obligation to develop responsible local government; the several functional ministries have responsibilities in their respective fields. All have the common objective of improving living levels and they must be reconciled to this end. If a reconciliation of differences among them cannot be effected through interdepartmental or inter-ministerial consultations, the normal machinery of government for settling such issues must come into play with resulting decisions.

8. It is not possible to recommend any one pattern of the functions which should be carried out by a ministry or department of local government, for these depend on the circumstances of different countries especially the degree of development achieved by them in the sphere of local government and on the functions performed by other central

/government agencies

government agencies and also by non-governmental or quasi-governmental organizations such as associations of local authorities and institutes for local government training and research. Within this context and assuming that the purpose of a central ministry or department for local government is to stimulate, guide and advise local authorities and to do all that needs to be done to establish and maintain responsible and efficient local government, the following is a check list of the functions that a ministry or department may have to perform:

a. Policy Formulation

- i) Taking all possible measures to improve standards of administration of local authorities and to provide all possible support thereto.
- ii) Taking all measure to develop local government in accordance with the policy of the government, including investigation, preparation, and promotion of schemes for the extension of local government throughout the country and of their role in economic and social development.
- iii) Acting as the principal adviser to the Government on all matters concerning local authorities and in the formulation of policies in respect of organisation and functions of local authorities.
- iv) Conducting broad investigations and enquiries through Committees and Commissions into the affairs and working of local authorities to assist in the framing of general policies.

b. Legislation, Administration And Supervision:

- i) Defining the powers, duties, organisation and basic features of local authorities and preparing necessary legislation for the purpose.

/ii) Defining and

- ii) Defining and demarcating areas, jurisdictions and boundaries of local authorities.
- iii) Delimiting election districts and supervising/^{/the}conduct of elections to local-bodies.
- iv) Prescribing standards for the guidance of local authorities in matters of administration, development, training, etc.
- v) Framing of rules and model by-laws and proposing legislation on local government matters.
- vi) Tendering legal advice and ensuring the adequacy of judicial and other machinery to enforce local ordinances and to avoid abuse by local authorities and officials of their powers.
- vii) Inspecting and supervising the working of local authorities.
- viii) Arbitrating disputes between local authorities.
- ix) Assisting in the organisation of associations of local authorities and of institutions for research and training.

c. Training and Personnel management

- i) Fostering the development of a career service for staff of local authorities;
- ii) Framing rules, etc., for regulating conditions of service in local authorities.
- iii) Encouraging local authorities to develop on the job and other forms of in-service training through training of training officers and other means;
- iv) Providing for the training of key officers of local authorities through refresher courses and seminars; arranging for higher education of promising young officers and training in foreign countries for the more seasoned officers; organizing staff development programmes; and arranging orientation training for council members.

/ d Fiscal Policy

d. Fiscal Policy and Financial Assistance

- i) Advising the Government on fiscal policies affecting local authorities.
- ii) Recommending sources of revenue; assisting and advising in tax administration including the formulation of rules and regulations in regard to taxation and assessment.
- iii) Fostering the establishment and maintenance of standards in budgeting, accounting and other financial practices through rules, financial supervision and audit.
- iv) Ensuring adequate finance for the execution of local government programmes through grants, subsidies and loans;

e. Programme Planning And Coordination And Supporting Services

- i) Coordinating the plans for local works and activities of local authorities with state and national plans.
- ii) Evaluating the effectiveness of new programmes and tendering advice to improve them.
- iii) Acting as a clearing house for local authorities by sending them information about programmes and plans of technical and other ministries and helping them to obtain technical and financial assistance.
- iv) Following up on requests of local authorities to technical ministries and assisting in resolving differences that may arise between them;
- v) Assisting in town and country planning including village planning and surveys if these have not been taken up by other departments.
- vi) Assisting in the procurement of materials and equipment.
- vii) Assisting in designing and executing major local projects e.g., water supply, sewerage, electric installation etc.
- viii) Research, information and statistics - including publications on matters of local government.

/9 It may be necessary

9. It may be necessary for the ministry or department of local government to have some field staff such as inspectors and trainers to work with local authorities. The same principles which should regulate relations of the central ministry of local government with other ministries would apply to the relationship of its field units with those of the different technical ministries. Moreover, both must work in close harmony with the local authorities and the success of their efforts will largely be judged by the speed with which responsible local government is established.

10. The organisation of the central ministry/^{or department} of local government will necessarily depend upon the degree of development of activities achieved, the general structure of the central government and the supporting services which it is intended that the Ministry of local government should provide. The following are, illustrative of the type of the minimum units likely to be needed. Apart from the customary administrative and finance units for the internal administration of the central ministry are mentioned below:

Local Authorities Organisation and Establishment Division:

concerned with organisation, boundaries, local authorities, personnel matters, training and staff education, public relations, work methods.

Planning, Development & Coordination Unit: For such duties as the heading indicates and those involving relations between central agencies and with local authorities. Includes such technical personnel as may be necessary.

/ Fiscal Policy

Fiscal Policy, Finance Support, Loans, etc:

Research, Information and Statistics Unit:

Field Organisation needed for inspection, advice, guidance and on the job-training of local government personnel.

11. The expansion of the functions of government whether at the central or local level multiplies the contacts between the two. Many ministries are concerned with local government, and the implementation of their programmes usually benefit from the co-operation and assistance of local authorities.

12. Local authorities will be seriously handicapped in their work and subjected to contradictory advice and directions, from the central ministries perhaps impossible to carry out, if there is no machinery for coordinating their relationship.. These relationships may be further complicated by the intervention of Lower echelons of central government administration ministries, e.g. provincial and district. It should be one of the major responsibilities of a central ministry of local government to avoid such a segmented approach to central-local relations and to secure both consistency and continuity in central policies -- in a word to achieve an integration of financial and administration policies towards local government.

13. The interests of local and national governments are becoming so closely inter-related that a high degree of coordination and co-operation is required between different levels of government. If the local authorities are to overcome their disabilities and realise their /potentialities

potentialities for useful service, it would be a mistake to lay too much emphasis on local autonomy and freedom from central interference. The local-central government relationship must be founded on compatibility - indeed mutuality of interests, one of partnership and cooperation aimed at securing the most efficient service for the people. The general objective should be to retain as much control as is necessary to secure the broad objectives of national policy and to leave an adequate amount of initiative, responsibility and freedom of action of local authorities in the light of their knowledge of local conditions and local needs. A central ministry must have a clear idea of its mission, which is to help the growth of local self-governing institutions to maturity and strength. Its attitude towards local authorities should be such as to make the latter turn to it naturally for help and guidance. This attitude can be fostered by keeping local authorities informed of national policies and programmes, the procedures to be adopted and general conditions to be observed for obtaining financial and technical assistance; and continuous consultations between the representatives of the ministry or department of local government and elected and senior officers of the local authorities. This emphasises the need for staffing the ministry with competent personnel, arranging for their further professional development, and otherwise providing them with attractive career opportunities.

/14. Among the

14. Among the important central ministries concerned with local governments are Finance, Public Works, Agriculture, Health, Planning and Community Development departments and the Ministry of the Interior or Home Affairs. Divisional and district officers also come into intimate contact with local governments. The Finance department's relationship to local government in some countries is both extensive as well as important. It often has ultimate control over taxation, loans, and grants which fundamentally determine the activities of local authorities. The work of the central planning office directly affects the programmes of both the local authorities and of development departments such as agriculture, health, education and public works. There is need of proper integration of plans and programmes of the local authorities and the field agencies of the central departments to avoid unnecessary overlapping. The guiding maxim should be to devolve more and more of the execution of programmes to the local authorities as the latter gain in strength and capacity.

15. Coordinating the activities of the different technical services in the district has been generally the work of district officers who have been area coordinators. But under a genuine system of local self-government such coordination must be the task of local elected bodies themselves.

16. An effective local government system is the product of a number of factors.

/ The political

The political tradition of the community, the level of civic consciousness and competent leadership, though intangible, are of fundamental importance. Machinery, procedures, financial adequacy, technical know-how, harmony in central-local relations, the character of supervision, guidance and control, the quality and quantum of technical assistance, the competence of local government personnel are other factors that determine the efficiency of local government. It is in these fields that the ministry or department of local government has to strive to build a local government system that is able to play its part in nation-building.

CHAPTER V

FINANCIAL POLICY

1. Financial assistance constitutes the main basis for the system of central supervision and control over local authorities, and is an instrument for coordinating their work.
2. The principal objectives of the central government's policy in relation to the finances of local authorities are:
 - a) to secure a reasonable balance between available local resources and local responsibilities, and to promote social and economic growth;
 - b) to effect an equalization in the resources of local authorities so as to ensure that the poorer among them can achieve the prescribed national services and standards which might otherwise not be possible. Some further adjustments may have to be made as between any local authority not operating efficiently and others operating efficiently and progressing well, until central support can improve matters;
 - c) to assure that work programmes and taxation policies of local authorities conform to national policies, standards and objectives;
 - d) to ensure the prudence, integrity, and efficiency of local financial administration and the solvency of local bodies;
 - e) to ensure the effectiveness and better utilization of financial and other resources at the disposal of local authorities.

/3.National

3. National development programmes and priorities may result in unequal rates of progress between different areas of a country due to difference in natural advantages. The investment of resources in areas where they yield the highest returns in preference to investment in areas with a lower potential for development may be advisable in order to accelerate national development. The over-riding consideration in determining investment priorities should be economic. The problem of equalizing standards of services should be solved by a system^{of}/subsidies to poorer areas and not by uneconomic investment.

Efficiency incentives should be offered to local authorities for the better utilization of the resources at their disposal in the form of increased financial assistance for particular services in which local authorities have been able to fulfil plan targets and improve on them.

4. In most developing countries the financial position of local authorities is in general weak and needs strengthening. Local authorities should be provided with adequate sources of revenue to enable them to discharge their basic functions as well as to meet a proportion of the costs of the services entrusted to them. This is an ideal aim and is not capable of realization in the immediate future in most developing countries. But the aim should be kept in view. Meanwhile adequate financial assistance must be made available by central government to local authorities to enable them to fulfil the responsibilities devolved on them.

5. The revenues needed by local authorities to carry out the basic services and other functions devolved on them should come preferably from local taxation rather than from sources such as fees, fines, and profits

/from commercial

commercial enterprises and public utilities. Revenues from public utilities, generally speaking, should be used for the betterment and expansion of the utilities themselves and for the improvement of the services to the public. While this principle may not be capable of immediate application in all cases it should be accepted as the basis of policy for the future. The views of the participants in the Seminar were not unanimous on the subject. Some expressed the view that local authorities should have freedom to use revenues from some commercial undertakings and utilities to augment their general revenues.

6. Assured sources of tax revenue should be provided to the various levels of local authorities. Certain taxes should be reserved by legislation to be levied exclusively by and for local bodies. The independent levy by different local authorities of a tax on the same source should be avoided. The levy of an additional cess or surcharge on a tax levied by the central government, however, is not open to any objection, and is in fact widely used by local authorities in many countries. Such additional cesses should be assessed and collected by the authority imposing the basic tax and their proceeds distributed to local authorities.

7. Taxes suitable for local authorities will vary with the economic conditions, traditions and practices of different countries. They should be convenient for local authorities to administer economically and they should yield a relatively stable income.

8. A variety of taxes may be desirable to enable local authorities to distribute the tax burden equitably, and the taxes should possess flexibility and possibilities of growth. But a limited range of taxes can

/often serve

often serve local authorities best, and with the exception noted above should normally be collected by the local authorities which levy them in order to improve the sense of financial responsibility. Local taxation in particular must be simple and comprehensible to the people subjected to it, convenient to pay, and should not interfere with trade and movement.

9. In principle taxes such as the octroi are indefensible and should be replaced by better taxes.

10. Systematic research is needed on the different kinds of local taxation their incidence, economic effects and administration. The result of such studies should be made available by central government to local authorities.

Financial Assistance

11. The varieties of grants-in-aid to local authorities by central government and the conditions attaching to them are numerous and the formula for the determination of the amount of a grant often complicated. Grants-in-aid may be broadly divided into the following categories:

- a) Basic or general purposes grant given to enable local authorities to discharge functions which are obligations, taking into account the latter's own resources, including potential resources and record of performance (e.g. population, area, resources, growth factors);
- b) Specific grants as inducements to local action or to accompany any demands made upon local authorities to develop services deemed necessary by the central government from the viewpoint of national policy.

The formulas for grants-in-aid should be readily understandable from the

/users'

users' viewpoint and the procedures for obtaining them simple and speedy. The principles and procedures for the allocation of grants-in-aid to local authorities from central sources should be clearly formulated in a grants-in-aid code.

12. Grants should be made on a sufficiently stable basis over a number of years (3 to 5) to enable local authorities to plan activities reasonably well ahead and should be related directly to the responsibilities and projects to be administered by them.

3. There should be a periodic review and evaluation of the grants-in-aid system.

14. It has been mentioned that the central government has to assure the integrity and efficiency of financial administration of local bodies and their solvency and stability. These necessitate central assistance to local authorities in budgeting, accounting, tax administration and accounting. The rules and regulations governing these matters should form part of a financial code for local authorities.

15. The central government would have to maintain a "watching brief" over the whole process of budgeting from the preparation of the budgets to its final execution. Where local authorities are in an early stage of development, their estimates would need to be vetted in some detail. This would not be necessary, of course, in the case of local bodies which have reached an advanced stage. The centre should have power to compel local authorities to maintain a budgetary balance, and direct them to levy taxes, fix compulsory minimum rates of taxes, and cut out items of expenditure for this purpose. Central control

/over the

over the budget of local authorities in the initial stages will have to be quite extensive; but as they develop a sense of financial responsibility and competence central control could be relaxed and local authorities may be vested with greater budgetary freedom. The approval of the budget by a higher authority or of the government is required in several countries in the region. Even where local authorities have been given the fullest freedom to frame their budgets, it would still be necessary for the central government to prescribe budgetary forms and procedure to be followed by local authorities.

16. Uniform accounting forms will have to be prescribed for local authorities.

17. The post audit of accounts should be a central responsibility, so far as ensuring that it is conducted by an agency independent of both the local authority and of the executive of central government. In some cases and especially with regard to the larger local authorities, it is advantageous for audit purpose and as guidance to the local authorities for a running or concurrent post audit to be carried out, including the audit of financial procedure instead of relying solely on the audit at the end of the fiscal year. It is desirable that there should be an internal as well as post-audit and that the latter should not be unduly delayed after the close of the financial year.

18. There should also be rules governing the receipt, custody and disbursement of local authority funds.

/19. For most

19. For most developing countries it is advisable that the valuation of property taxation should be carried out by a central valuation department or agency of the government itself or by an independent statutory authority set up for the purpose in order to ensure that the assessment of taxes on **property** is free from political pressures, uniform and fair. Such agencies have been established in some of the countries of the region. In at least one country, assessment as well as rate setting is the responsibility of local authorities which must adhere to central government standards in valuation of property.

20. Central assistance should include the training of local finance officials, the secondment of central officials with local authorities for toning up the financial administration and to set matters right in the event of maladministration, or breakdown.

21. The greatest need of local authorities in finance as elsewhere is for continuous advice, guidance, and on-the-job training. This may be rendered in various ways by central government officials stationed locally; through frequent visits by central officials; through district officers; through the creation of special cadres of investigating officers given statutory powers to advise local authorities on financial and office management; or through a system of financial advisers seconded to local authorities for long periods.

Long term credit facilities

22. Local authorities would require in ever increasing measure capital funds for their development work which they cannot meet from their

/current revenues.

current revenues. Perhaps for a long time to come the central government will be the main source of the long term credit needed by local authorities; and for even longer period its sanction will be required before local authorities can raise loans because of the necessity to coordinate national monetary requirements.

23. Loans direct from central government or central government controlled sources are the most prevalent. The central government may provide for the loans required in its annual budget utilizing any budget surplus for the purposes, or it may raise the total sum required by borrowing in the open market or use a combination of these methods. Apart from the obvious advantage through obtaining better loan terms, such loans from central government would carry with them advice and guidance on the economic soundness and technical aspects of schemes for which finance is required and also on the means for repayment of the loans.

24. An alternative arrangement, possessing the advantages of the former together with those of commercial banking, is for government to establish a central loans institution solely to provide short and long term credit to local authorities, special purpose bodies, public utilities and other local public bodies. Such an institution can make full use of all possibilities offered by the capital market and would be able to specialise in its very special sphere in a way that an ordinary agency of government is unlikely to equal.

25. A central loans institution can be organised either under direct central government control, or as a statutory body enjoying considerable

/autonomy

autonomy, or ^{1/}as a cooperative venture by an association of local authorities themselves. For reasons advanced in the previous paragraph the second method is probably best.

26. A central loans institution should also be prepared to provide certain services to local authorities on a consultative basis, at least in regard to projects for which loans are sought. For example, it should be able to get schemes investigated from a feasibility and economic view point, and also in relation to debt redemption policies, legal matters, accounting and technical aspects. It may not be necessary for the central loans agency to have a permanent staff for all these services. Some could be obtained on special contract or on loan from other agencies.

27. Besides providing the initial capital for the central loans institution, the central government and the local authorities could make additional funds regularly available to it through provision for it in the ordinary annual budget. Local authorities could, as done in some countries, use such an institution as a depository for current and reserve funds on which they receive interest.

a

28. It is desirable that when funds are sought for the establishment of a public utility the latter should become a statutory corporation.

29. A useful technique of financing capital schemes such as land development in urban areas, is through a revolving fund. The initial funds needed will have to be found from revenue surpluses of the local authority grants or loans from the central government, or sale of shares to private investors. The local authority can use the capital, for example, to buy and develop land and then can reimburse the fund through subsequent sale of the land.

^{1/} For further information, see "Municipal Credit Banks" a publication of the International Union of Local Authorities.

[illegible]

CHAPTER VI

COMMUNITY DEVELOPMENT

1. Community development is a vital process for national development. In most developing countries of this region from 60% to 80% of the total population live in rural areas. Therefore national development demands the involvement of villages in the march towards progress. Villages possess valuable, untapped reservoirs of manpower and other resources. Village communities should, therefore, be encouraged to use these resources to meet local needs; this, in turn will contribute to national economic and social development. A greater receptivity to change is promoted when people themselves become directly involved in the processes of an orderly change, thereby accelerating the rate of social and economic growth. Community development enables people to become more self-reliant and responsible citizens, more desirous and capable of participating effectively in national progress.

2. Community development programmes involve a process of improving the conditions of local communities, through the efforts of the people themselves, assisted as necessary by governmental authorities in such a way that local development forms an integral part of national development. In countries of this region, faced with the need for rapid development, central governments must provide the main initiative, impetus, technical assistance and financial resources for the formulation and execution of community development programmes. Continuing
/ education,

education, particularly through learning by doing, and guidance will be necessary over a period of time to develop local leadership, and popular institutions, and a willingness on the part of the people to contribute their own resources in planning, establishing and maintaining community facilities and services. These are also the pre-requisites for effective local government.

3. Recognising these factors, most countries of this region have initiated national community development programmes. With few exceptions, these can be classified as integrative type programmes, as defined by the United Nations.¹ In Indonesia the community developme

1. The United Nations study entitled Public Administration Aspects of Community Development Programmes classifies programmes broadly into three types for purposes of administrative analysis, as follows:

(a) Adaptive-type programmes; those that are nation-wide in scope but limited for the most part to the catalytic function of stimulating the self-help effort of the people and to liaison with the technical services for support of such effort. They are termed adaptive-type programmes because they can be attached to almost any department and otherwise adapted to the prevailing organisation of government;

(b) Integrative-type programmes: those comprehending not only the general catalytic function at the community level but also the co-ordination of technical services at all levels and the nation-wide extension of these services in ways that will be coherent at the level at which they reach the people and will elicit their understanding and active participation. They are termed integrative-type programmes because of their special organisational features. Administrative responsibility for such a programme is best placed either in the office of the chief executive or of a "neutral" ministry, i.e., one that does not have responsibility for a major technical service.

(c) Project-type programmes: those that are multi-functional but are confined to certain areas of a country. These programmes often develop, in the absence of a nation-wide general purpose programme, from the independent effort of a technical service to organise communities in a given area for the furtherance of its particular programmes. Experience has proved that these single-purpose programmes must, if they are to be effective, take on or attract related technical activities. Project-type programmes have also been organised to foster development of special ethnic groups or regions.

/ programmes

programme gives shape and direction to the traditional spirit of Gotong Rajong or mutual help. At the Dessa (Village) level it helps the villageheadman's council to coordinate work in the fields of cooperatives, education, public works and social welfare and in many cases it finances their projects. In the Philippines, community development has gone a long way to develop the rural areas both socially and economically. The community development worker now assists the Barrio(village) governments to plan and implement projects of a local nature. Japan does not seem to have a community development programme in the traditional sense; but its KOMINKANS (Community Halls) serve the needs of its people for growth in social, economic and cultural spheres. The community development programme of India under the leadership of the central government has since 1952 evolved through various phases and has attempted to promote the social and economic development of rural people, (mainly emphasising agricultural production). It was decided in 1959 to transfer powers more directly to the people, along with the necessary financial resources and staff. This brought into being the Panchayati Raj with its three-tiered hierarchy of local government councils (village Panchayats Samities (Block level) and Zila Parishads (District level). The village level worker, Block Development Officer and District Planning Officer are now operating under their respective levels of Panchayati Raj Councils which have been given / responsibility

responsibility for coordinate the work of the personnel of this technical services at the block and district levels. In Nepal, the community development programme implemented mainly by the District Officers, also fosters the growth of voluntary organisations of women and youth which operate on a parallel hierarchy. The Local Government Programme and the community development programme as in the case of India are the responsibility of the same central ministry. In Pakistan, the Village Agricultural and Industrial Development Programme (V-AID) operated as a separate and distinct programme from 1952 upto 1961, when, with the inception of the Basic Democracies (Local Government), the responsibility for further community development work devolved squarely on the Basic Democracies. The Community development personnel were absorbed inter alia by the Basic Democracy Councils in the capacity of secretaries and development advisers at the different levels. The council members were trained for their new responsibilities by the V-AID Administration. An Urban Community Development Programme continues to operate in close association with the Basic Democracy Councils. Vietnam has a community development programme tied in with its programme of Civic Action. Inter-departmental commissions down the administrative line, starting from the top echelon under the Chief Executive, the Provincial head, the District Commissioner and the Hamlet Chief, coordinate the programmes.

/4. The common

4. The common feature of all these programmes is to provide to the people at the lowest levels a democratic basis for making and implementing decisions; to inculcate the spirit of citizenship and a cohesive feeling within the community; to treat the community as an organic whole for the purpose of development. Community development programmes are generally implemented by ad hoc councils of elected local leaders. These often constitute the first organised, development-minded and democratic institutions at the lowest levels functioning with the approval and support of the central government. Community development thus serves as an instrument of social development; for reshaping the community and its institutions to meet the new challenges of a society in process of modernisation.

5. Whether there should be a ministry or department of local government separate from that for local government was debated at length by the Seminar. In one country, where they were at one time separate, community development workers were doing the same type of work as local government councils at the village level. Their work could not be co-ordinated, so the government decided to integrate the community development organisation into the ministry of local government. There ~~continuous~~ to be a need in their case for a separate community development officer but the officer's work is integrated more closely now with the

/ local

local government council. In another country, a community development programme was launched by a separate organisation with the expectation that its personnel and activities will in due course be turned over to local government units. The point was made that community development is especially useful in the less technologically advanced countries and where local government is non-existent or weak. Its task is in some cases to produce a psychological revolution in the countryside and to create or strengthen local government. In such cases, it may be unadvisable to integrate the community development programme organisationally with local government especially at the local level.

6. Experience has shown, that for a full measure of success, particularly of the integrative type of community development programme, the highest political support at national levels is necessary. In some cases, community development programmes have also provided the means for extending to local levels the operations of scarce central technical services. In such cases, the assistance of the community development village level workers, provided, trained and paid by the central government, have proved of particular value.

7. It is essential to recognise the vital nature of community development activities in the long term evolution and development of efficient local government. Even where
/ local government

is operating, community development can inspire and motivate better participation and more intensive development. Without such support, the dynamism which should be associated with local governments may be lost and national as well as local development may be retarded as a consequence.

8. Some thought was accordingly devoted by the Seminar to the possibility of national long term pre-planning of a step by step development of local (rural and urban) communities, and the desirable priorities for introducing community development and local government programmes. Regional experience would seem to favour the introduction of community development programmes initially where local government is non-existent in order, among other things, to create the climate, attitudes and abilities for self-development at the local levels. Special emphasis should be given in these circumstances to the creation of conditions conducive to the emergence and development of local leadership. Planning being the precursor of action, such community development plans should be sufficiently far-sighted to provide for the evolution of competent local authorities. They should always be working towards, and inspiring, the achievement of this goal. Community development programmes can thus help to identify leadership ability and to provide a training and proving ground for the development of local leadership that will be sensitive to the needs and demands of the community. It can / provide a

provide a framework on which to build a successful local government structure, which, in turn, could assume more direct responsibility for community development.

9. It was agreed that the functioning of community development and local government should be closely integrated on the basis of careful study and pre-planning at the national levels. With respect to community development bodies at the local level, there was agreement with the conclusions stated in paras 114/115 of DNLD, reproduced here below for facility of reference:

"General purpose committees (or other bodies) may be utilised successfully as instruments of community development at levels where statutory local bodies do not exist or as means of effecting basic changes in local government, but they are likely to fail if they exist alongside statutory bodies and there is no preconceived plan to relate them in a meaningful way to local government." 1/

"The Asian Seminar on Planning and Administration of National Community Development Programmes made the related point that where local government institutions exist only at a higher level, ad-hoc bodies may be effective in the villages. "These ad hoc bodies should lay the foundation for local government which is considered essential for the successful operation of a community development programme." 2/

1/ Ibid., p. 52

2/ Report of the Asian Seminar on Planning and Administration of National Community Development Programmes, ECAFE, 5, September, 1961, p. 22

10. Community Development and local government differ in character despite their inter-dependence. A local authority is a formal and statutory organisation. The power of compulsion may be necessary to a local authority in the execution of some of its statutory obligations. Community development is primarily concerned with human development and is much less concerned with formal administration of the community, although the improvement of local government should always be an important aim. Consequently organised voluntary, participation, including self-help activity by the people are important features of community development. Moreover, community development programmes can generate social action and voluntary efforts by smaller groups with common interest. By so doing, a segment of the community may better itself by its own action, wherever a state of readiness to act through local government with a view to achieving more widespread and equitable results, has not been reached.

11. The need for community development is likely to be greatest where local government is weakest. Yet progressive success of community development programmes may depend largely on, or at least, be enhanced by the strength of local government - especially the latter's ability to maintain facilities established through community efforts. This

/ creation

creation and development of public facilities through community development, followed by local government taking over on a regular basis, adds in turn to the effectiveness of local government. Moreover the strengthening of local government provides the inspiration and support for further community development activities.

12. A possible danger to the progress which this partnership could achieve, may arise if community development bodies carry out functions which should be the responsibility of local government. Conversely, reliance upon the authorities' powers of local government, where voluntary effort can best serve, may undermine the basis of community strength. Such dangers can be avoided if the common interest of providing the most effective service for people is recognised, and the dual roles of strengthening local government and encouraging voluntary effort are pursued in that light.

13. The use of the front line community development worker as an office-bearer (usually Secretary) in the local government body, at the stage when the community development and local government programmes may be integrated also came under some discussion. One view is that the identity, initiative and independence of community development work may suffer if the front lineworker is brought directly under the control of the local government. His secretarial duties may involve him in such paper work at the cost of his developmental responsibilities. He may get involved in, and be influenced / by, local

by, local politics. For these reasons it has been urged that, where there is need for community development work it should have the concentrated attention of the worker, it would be inadvisable to employ the front line community development worker as the secretary of the local authority at the village level. The other point of view, is that as a community development front line worker he is operating only as an educator and a motivator - an agent for change - under the general will of an informal, but popular council of village leaders and that his working under the more formal local government institutions should not therefore affect his basic developmental and coordinative role. Furthermore, his continued inservice training under community development or local government sponsorship, should be able to keep before him a clear image of his work as a developmental agent. Finally the cost factor involved in a possible duplication of front line services for community development and local government is sufficiently important to affect the decision of governments in this matter. This argument is particularly applicable, where the front-line operative level for both community development or local government is the same ~~the same~~ i.e. the individual village, as in Nepal. In Pakistan the local government council at the lowest tier is a group of 8 to 10 villages whereas the unit for community work is the village. In such a case, the community development worker may be able to act as a development agent at the village level and as a local government official at higher level.

14. In this respect, fortunately most countries of the region, seem to have arrived at a happy understanding on integrating their community development programmes with local government. They do so in various ways. In Indonesia as mentioned earlier, community development plays a coordinating and financially supporting role to the village headman's council. In the Philippines the community development worker helps the Barrio Government to implement Barrio's projects. In Nepal the village worker is available to the local government and is even supervised by it. In India, the previous community development officers at the various levels now operate under the supervision of appropriate Panchayat councils and act as their Secretaries. In Pakistan, the function of community development has been completely entrusted to the Basic Democracies and Community Development workers have been absorbed as secretaries and development advisers at various levels. In Vietnam the Civic Action Worker operates under the elected hamlet chief and his council.

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CHAPTER VII

CENTRAL SUPERVISION

1. In nearly all developing countries the central government exercises supervision and control over local authorities in varying degrees. Supervision and control extend to the whole field of central-local government relations. In some countries, it would appear that the main purpose of central supervision is the control of local authorities. The need for a large measure of supervision in countries where local government is new and inadequate organised is generally recognised. Supervision and control must provide guidance to local authorities and help identify the areas where additional support from the central government is needed by them. The general policy should be for central governments to exercise control to the extent necessary to see that national objectives and requirements are met and at the same time that sufficient scope for initiative and responsibility is left to the local authorities. Unless such a policy is followed the development of local government cannot go forward.

2. Central governments are generally reluctant to relinquish the supervisory activities to which they have become accustomed and there would seem to be hardly any effort on their part to do so in many countries. It is necessary that central governments should progressively relax supervision and control over local authorities to the extent practicable to enable them to become self-reliant.

3. The central government is under an obligation to ensure that

/basic services

basic services are provided and development activities carried out by local authorities in accordance with national objectives and standards. The basic services and most local developmental activities should be devolved on local authorities together with the resources to undertake them as soon as it becomes practicable.

4. While the primary responsibility for devolved functions rests with the local authorities, the ultimate responsibility for the proper execution of devolved functions that are of national interest remains with the central government. With respect to devolved functions of a purely local nature, participants expressed differing views as to where ultimate responsibility for their execution rests: some felt it also remained with the central government while others felt that full responsibility for such functions would rest with the local authority.

5. The nature and extent of central supervision and control should be adjusted to the circumstances of the local authorities. As local authorities become more firmly established supervision and control will tend to become more and more advice or guidance and control. The degree of supervision would also vary widely as between rural and urban authorities, the larger urban areas requiring less than the smaller towns and rural units. Schemes of supervision should be planned in the light of specific requirements. Ill-conceived schemes would be ineffective and harmful.

/6. Local authorities

6. Local authorities should be responsible self-governing entities, but naturally subject to the State. "The kind of relationship between central and local government that has to be aimed at is neither control of local government by central government nor such concurrent powers as would be appropriate for the units of a federation. Rather the optimal relationship would be a partnership of two active and cooperative members, but with the central government definitely the senior partner."¹

7. Central supervision and control should also raise the efficiency of local administration and help it to competence and maturity, an objective shared by local authorities and central government alike. Whilst supervision must, therefore, be concerned with the proper performance of the duties entrusted to local authorities, supervision must at the same time also be concerned with education, technical support and training facilities of their staff. Unnecessary interference must be avoided.

8. Techniques of supervision and control vary. In this region, techniques tend to remain static. There is a general reluctance to change. There are, however, welcome signs in a few countries of a willingness to adopt new methods. The most common techniques of control, when used constructively include periodic reports, inspection, enquiries, the system of conditional grants (grants-in-aid), advice,

1) Hicks: Development from Below, P. 437

approval review, annulment, directives, removal, and substitute administration. The temptation to use methods of compulsion and sanctions can be particularly great in developing countries due to the inexperience in the working of local government. Central/local relations depend very much on the devices of supervision and control and the manner in which they are employed. The more extreme forms of control, such as annulment of the decisions of local authorities, supersession and action in default should be exercised only exceptionally and in the last resort, for their long term adverse effects can be serious and damaging to the confidence in local authorities that is essential to their success. The circumstances in which these extreme powers are to be used are usually prescribed by law, but it is desirable that where such powers are used there should be a right of appeal preferably to an independent statutory body or to the Governments.

9. The ordinary courts are not suitable for dealing with appeals against such official actions, mainly because of the delays and costly processes involved. However, the courts often have important functions relating to local government such as annulling acts of local authorities which exceed their statutory powers and dealing with other transgressions of law by the local bodies or their officers.

In some countries, their judicial type of control is exercised in the first instance by administrative tribunals, subject to appeal to the council of State (Conseil d'Etat).

/10. Excessive

10. Excessive supervision and control tend to stifle local initiative and retard progress, and endangers the harmony in the relations between central and local authorities. The number of controls can often be reduced by prescribing a standard, simple budget procedure for local authorities and focussing attention on the framing of the estimates and implementation of the budget as approved.
11. There should be a regular study of the methods, extent and results of supervision, so that these could be adjusted to changing requirements of local authorities and as the latter gain in competence, the controls over them could be relaxed. It is desirable to provide for a systematic study of central-local government relations periodically by an independent body. These studies should extend to the structure, functions, and financial and other powers of local authorities. In some countries, there has been no significant changes in this respect since the days of colonial rule; the organizational structures and relationships of local authorities especially municipalities in such countries still have features designed for purposes of central control, not of fostering social and economic development or creating a healthy environment.
12. The changes in the techniques of supervision and control and the more constructive approach to their exercise in recent years have greatly added to the effectiveness of central supervision by making it more acceptable to local authorities. Central supervision is now exercised
/through the process

through the process of continuous consultation between central officials and local authorities on the latter's programmes and work. Such consultations reduce the need for directives and orders from the central government. Consultations on a group or representative basis are also held. These are initiated by the local authorities themselves, or by the central government. The existence of associations of local authorities facilitates such joint consultations. It is desirable to place such consultations on a formal and regular basis.

13. The effectiveness of supervision depends largely on the competence of supervisory personnel. The need for qualified supervisory personnel with the right attitude towards local authorities cannot be over-emphasized.

RELATIONSHIPS BETWEEN LOCAL AUTHORITIES
AND CENTRAL AGENCIES FOR PLANNING AND
IMPLEMENTATION.

1. National development is sought to be achieved in most countries through economic planning by central planning agencies. Adequate attention, however, does not appear to have been paid in most countries to the role that local authorities can play in national development with the result that the relations of planning agencies to local authorities remain a neglected field in most countries. They have not been placed on a footing that will be conducive to the maximum development of the human or material resources of the country. There seems to be little realisation of the fact that local government depends for its strength to a considerable extent on economic development and that the latter in turn can be greatly accelerated by local authorities actively participating in the planning process.

2. The potential role of local authorities in the planning process is of great importance. Planning for economic development involves a series of steps in each of which local authorities have a distinctive but complementary part to play. These stages are: (i) the collection of information, survey and research on resources and problems on the basis of which plans of development could be made; (ii) the examination of the data and the determination of targets, allocation of

finances to different sectors; (iii) programming or scheduling the different stages in which work is to be done to reach the targets fixed; (iv) implementation of the plan; and (v) evaluation.

3. All local authorities can be sources of information that is needed in planning both in regard to available resources and to needs and priorities. Planning from below secures that national planning is related to the real needs of the people. A realistic national plan has to be an amalgam of regional, district and village plans, coordinated to make a unified whole rather than one framed by the central planning agency without reference to such basic plans.

4. Equally in programming, implementing and evaluation, popular participation through local authorities can be highly useful. Popular participation will enable the exploitation of favourable social and economic conditions; the rational allocation of available resources between different works and purposes; the fullest utilisation of the benefits of completed projects; and in evaluating progress in the accomplishment of the tasks set.

5. It is obvious that as the object of all planning is to raise the living standards of the people, the latter's active interest and cooperation in planning should be secured. The people must be involved in the planning process and this could be institutionalised through local authorities.

Incidentally the latter would also be strengthened and will be in a better position to serve the people.

6. It has been said that national planning without a firm basis in local planning will lack realism. It must be added that local development planning without a central framework for it would be wasteful and ineffective. All local planning should be undertaken within the national plan suitably broken into regional and district plans by the central planning agency. Central planning should deal both with immediate and long term national objectives leaving plans and objectives of local significance to regional, district and village local authorities.

7. Local authorities should be provided with the fullest information of national objectives and the tasks that they have to undertake, and the resources they could reasonably expect from the central government for their accomplishment. There should be consultation of local authorities all the way through in the planning process, so that there is no uncoordinated effort and programming could be rationally undertaken.

8. The local authorities should be free to make their own plans within the framework of the national plan. They should be free to press for the acceptance of their plan as part of the national plan. Indeed, it is necessary for local authorities especially the larger ones such as municipal corporations, to have their own 5 or 6 year plans of development

Independently formulated. Similarly the larger rural local authorities should also have their own plans of development. They should be helped in formulating their plans by model plans for districts; villages and towns provided by the central planning authority. These local authorities should be able to formulate their own targets for development and press for the capital requirements for these from the national planning agency. The national planning agency should in its planning provide for regional allocations to facilitate planning by local authorities.

9. To be able to plan at least the larger of the local authorities, should have their own planning units, with the needed technical staffs. The smaller authorities should have technical assistance provided to them in the matter of planning.

10. The planning staffs of local authorities should be trained for undertaking planning. The training of officials in planning should be organised preferably under the guidance of the ministry or department of local self-government. Senior personnel in planning should be trained at the national level. Group training of a few weeks' duration should also be provided in the case of the more senior officers in planning. This should enable representatives of the different technical services and administrative personnel to carry out combined exercises of the kind likely to be encountered.

/11. Urban

11. Urban planners should have special training in view of the highly technical character of the task involved. Specialised training is required also in the area of public utilities, communications, the location of industries, etc., for local government staffs concerned.

12. The planning of urban development is necessary to meet the problems arising from the migration of populations to towns, industrialisation, changes in the ways of living of the people. Care should be taken to avoid towns getting beyond control. The problem of growing towns merits comparative study.

13. Planning should be undertaken not only to meet present needs but also to deal with problems posed by growth. It is specially important to undertake perspective planning in the context of urban development. In fixing the areas or boundaries of towns, in demarcating areas for industrial locations and residential purposes and the network of communication, etc. future needs should be taken into account, besides present requirements.

14. As in the case of urban authorities, planning by rural local authorities should be long term and a solution found for the problem of urban-rural relationships.

/15. It is of

15. It is of importance to coordinate the planning and implementation of planning at the village, the district and the regional levels. The operations of different ministries and department of the central government extend through field organisations to the actual operational level. There is need to coordinate the functions of planning, and execution in relation to the projects of the local authority concerned with those being carried out by technical services operating under the direction of their superior technical levels.

16. The evaluation of progress in implementing approved projects is required by every authority responsible for implementing^a/particular plan or section of a plan in order to make necessary adjustments. The evaluation must be undertaken at all the stages and in regard to all projects. Local authorities should undertake their own evaluation of the progress of the plans with which they are concerned.

17. The administrative needs of planning should also be studied. Endeavour should be made to achieve effective administration at all levels.

CHAPTER IX

PERSONNEL SERVICES FOR LOCAL AUTHORITIES TRAINING FOR LOCAL AUTHORITY PERSONNEL AND COUNCILLORS

1. The essential conditions for the recruitment of a competent staff for local government services may be stated as follows:

- a. Adequate opportunities for a career which will attract and retain in service the right kind of men and women;
- b. A system of promotions through merit with due regard to seniority that enables persons who demonstrate the necessary ability, energy and devotion to rise in the service to the top;
- c. Reasonable security of tenure;
- d. A pay structure that is broadly comparable to the pay structure of central government and in private employment (principle of equal pay for comparable types of work).
- e. A system of regulating employer-employee relations that is accepted by the staff as just and fair.

2. In many countries central government services fulfil to a great extent these conditions and are able to attract and retain competent personnel. Local government services for the most part do not enjoy these advantages and are therefore unable to attract the best men and women. Less favourable treatment
/of local government

f local government personnel is an admission that in all cases men of lesser calibre and attainments will be adequate for the local government service. This is manifestly wrong. Local authorities, especially the larger ones, no less than the central government require men of the highest calibre for their increasingly complex and specialised tasks. Local authorities served by efficient staffs are an essential pre-requisite to the success of a policy of decentralization.

3. In most countries of the region personnel system that is adequate to the increasing responsibilities of local government is yet to be established. A personnel system must take into account of existing conditions and the present stage of development of the country and of its future needs. There is no one system that could be adopted by all countries. The several possible alternative personnel systems should be examined and the one that is most suited to the circumstances and conditions of a country chosen. These alternatives are:

a. An integrated personnel system: Under this system central and local services will be recruited and controlled by a single personnel agency. They would be interchangeable between central and local government and their salary scales and conditions of service will be identical. This system is to be found in few countries.

/b. A unified local

b. A unified local government service: Under this system the services of all local authorities in a country above a certain level are constituted into a single service whose members are transferable. They are recruited and controlled by an independent central agency, representing both the central and local governments. This system is to be found in only a few countries but there is a growing interest in it.

c. A separate personnel system for each local government unit: Under the system each local authority recruits its own staff and controls it. There is no transfer of personnel from one local authority to another or to the central government's service. The qualifications, methods of recruitment, salary scales and other conditions of service are usually prescribed by the local authorities themselves subject to central supervision. This system is widely prevalent in the region.

d. Variations and combinations of the above systems: The possible combinations and variations of the above systems are many. The recruitment of certain categories of local government staff may have to be on the recommendations of a state public service commission, while others may be left to the unfettered discretion of local authorities. The control of the former may be similarly divided between the central and local governments. They will in effect form a unified local

/government

government service; while other latter will constitute a separate local government service. The higher services of local authorities may also be drawn by loan or secondment from a central service. The degree of control exercised by the central government over the personnel of local authorities may be stringent or negligible etc. Combinations such as those mentioned here, and which could hardly be described as a system are to be found in a few countries of the region.

The relative merits of the different systems may be briefly referred to here. The integrated system and the unified local service both limit the authority of local authorities over their staffs in varying degrees. This^{is}/especially the case when personnel belonging to the services of the central government are seconded to local authorities. The integrated system may be unsuited to the larger countries in which the number of local authorities and the personnel needed by them is considerable and may run to even hundreds of thousands -- besides being undesirable from the point of view of the control by the local authorities over their own staff, without which effective local government would not be possible. Its great advantage is that it could secure the services of the highly qualified men of ability which otherwise the central government alone can command.

/5. A unified

5. A unified local government service for local authorities seems to have many advantages. It can attract competent personnel from the entire country to local government service, provide career opportunities which separately local authorities, at least the smaller among them cannot offer. Moreover, it can provide security of tenure, pecuniary advantages, greater self-guards against victimisation by local authorities, and facilitate interchange between authorities. It is undesirable, however, that it lessens the control by local authorities over their own staff.

6. The third alternative of separate local government services, though theoretically necessary to local self government suffers from grave defects and would appear to be not suited to the needs of local authorities, especially rural and smaller urban ones, at the present stage in most developing countries.

/Its great merit

Its great merit is that it places the control of staff in the hands of the local authority. But the disadvantages are that most local authorities, with the exception of the great cities with relatively large resources, cannot attract to their service/ competent and qualified personnel, or retain them for long in their service. The market from which they can recruit their staffs is narrow; they cannot offer career opportunities or high salaries for the best men. Often considerations, other than merit, will determine recruitment and promotions. At least for the higher ranges of the local government services in both the general and technical categories it would appear that the independent and separate local government system is the least suited.

7. The Seminar considered the several possible alternative personnel systems and was of the view that every country must make its own choice of systems taking into account its particular needs and circumstances. Some might find a unified local government service the best suited to their needs while other might find it more advantageous to combine it with the separate local personnel system. The Seminar was of the view that a system sketched below, might be found suitable by many countries of the region.

(i) A unified local government service should be established for all local authorities. It would apply to employees in the executive, administrative and technical services above a certain grade, with an appropriate system of classification, salary scales, pension rights, opportunities of promotions and other conditions of service and with interchangeability of personnel between local authorities throughout the country.

(ii) A local government service commission for the country is required, with statutory powers to regulate the conditions of recruitment, the classification of the services, and the conditions of employment with the local public services in consultation with the central government. Both the central government and local authorities should be represented on the commission, but the commission should function autonomously as free as possible of harmful pressures.

(iii) The functions of the commissions must include the recruitment of personnel, promotions, and disciplinary measures in regard to the services.

/ (iv) The

(iv) The Commission could be given certain executive functions such as training and the general administration of other personnel services such as transfers if conditions warrant such extension.

(v) Local authorities should be empowered to make appointments to positions in the unified service from panels provided by the commission.

(vi) Employees of local government so appointed should be deemed in permanent service from the date of their appointment to the date of their superannuation, in spite of transfers. Service with different authorities should not affect their status, seniority, and emoluments.

(vii) A central pension scheme or provident fund for all local government employees be established.

(viii) Welfare and cultural activities should be established for local government services wherever possible. The assistance of staff associations may be utilised for these purposes.

8. The proper training of local government services is of fundamental importance and require special attention. Training courses need to be designed to prepare local government employees to their actual tasks and must be on-the-job training to a great degree. Central training institutes for local government personnel should be established and facilities for advanced training made available in Institutes of Public Administration, Universities, Schools of Town and Country Planning and Agriculture, Engineering etc. should be utilised for the purpose. To be effective training programmes should be concentrated. Their content / should be carefully

should be carefully thought out and should include different aspects of public administration as well as training for specific jobs. Practical or field work should form part of the training. A periodic evaluation of training programmes and techniques should be undertaken to judge their practical impact and help in their improvement. The central government should assume responsibility for the establishment of training institutions and for their proper functioning to meet the needs of local authorities.

9. It is essential that local government services of all classes and grades should become professionalised. One of the means of achieving this end would be the creation of professional organisations either for

local government officers generally or for functional groups such as finance officers, engineers, health officers, and so on. Essentially their purpose should be to establish the status and competence of their members and provide the opportunities for their improvement.

10. While general guides have been suggested in the foregoing, it is recommended that the United Nations should conduct a study followed by a small working group familiar with Asian conditions particularly, on the detailed requirements, of a personnel system for local authorities in developing countries. The problem of how to strike a balance between the control desired by local authorities over their staff on the one hand and the protections and advantages which must be accorded employees to make the local service attractive needs systematic analysis. Also, the problems involved in the shifting over from an integrated to a unified system merits special attention.

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SPECIAL PURPOSE STATUTORY BODIES

1. Consideration thus far has been directed to multi-purpose local authorities. Attention, however, must also be paid to the special purpose statutory bodies performing public functions at regional and local levels and the local representative body which exercises functions devolved by a national agency.

2. The special purpose statutory body at the local level status has a separate legal status and identity. It is usually constituted to solve a special problem affecting either a segment of a local authority area, the whole of such an area, or two or more local authority areas. The natural development of most of these schemes should be their absorption eventually by a multi-purpose local authority if the functions take on a general public character. An example of such special purpose statutory bodies would be the improvement trusts set up in India and Pakistan in cities and big towns to deal with the problem of urban development in^a planned manner and to provide the finances needed. In Indonesia, though policy is generally opposed to the creation of special purpose bodies, when necessary they are created. A special purpose body for Sumatra is proposed to be created to construct and maintain Trans-Sumatra Highway of over 2,500 kilometers. Nepal has a City Development Committee for cities on the same lines as the Improvement Trusts in India and

/ Pakistan.

Pakistan. In Viet-Nam, there is an association of farmers at the village level which is recognised by the Secretariat for Rural Affairs. It is a statutory body whose function is to help the farmer to increase his agricultural productivity through the use of fertilizers and scientific implements and enable him to sell his produce without the agency of middlemen.

3. There is another type of special purpose body which exercises functions devolved by a national agency: for example, electricity boards. In India and Pakistan separate authorities have been set up known as the Rajasthan Canal Board and the Thal Development Authority, respectively, at the regional level to reclaim deserts for purposes of cultivation and settlement. There are also examples of certain services previously on a private enterprise basis being nationalised and operated on a regional basis without full public participation and even control.

4. Special purpose bodies often satisfy important needs and may be an answer for a time to the inadequacy of multi-purpose local authorities. But excessive reliance upon them can produce a chaotic situation. It is generally considered necessary to set up a special purpose statutory body when:

(a) the local authority or any cooperative effort

/ by several

by several local authorities cannot provide any needed service, or lacks necessary technical ability for administration;

(b) a programme demands capital funds and an intensity of effort that are unlikely to be forthcoming from the local authority;

(c) the desired service has special areas requirements for administration differing substantially from local authority areas;

(d) public interest demands a form of representation for the service differing from a local authority council - for example service to a small segment only of the community.

A special purpose body should normally be set up only on an ad hoc or temporary basis to deal with a particular problem and should normally in due course be absorbed by this multipurpose local authorities. This, however, would depend on circumstances. If the problem with which the special purpose authority deals is of a nature that requires special and continued attention, or extends in area beyond the limits of a multi-purpose local authority, or cannot for any reason be administered by the latter, the special purpose authority must obviously continue as long as such conditions.

/ 5. A nationwide

5. A nationwide special purpose body can be organised in a variety of ways. Its governing board must possess administrative and technical competence. This may come from the central government or by appointment from the general public or from special interests. Citizen participation and control at the local level may be provided for by appointment centrally, through elections, or by representation from local authority councils in the area. A national special purpose body may operate through area subordinate bodies possessing a somewhat similar pattern of organisation to the central body and providing for local citizen and special interest participation.

6. The reasons for creating special purpose statutory bodies at the local level may make it inadvisable to vest control over it in the multi-purpose local authority in its area. In such cases, the controlling authority for the special purpose body should be the same as that for the multi-purpose local authority. This would enable the controlling authority to solve problems of mutual interest at its own level and also to act as a coordinating agency between the two authorities.

7. The question of the relationship between the
/statutory

statutory special purpose authority and the multi-purpose local authorities merits attention. It has been suggested that local authorities whose interests are affected should be represented on the governing boards of the special purpose authorities, or advisory or consultative committees on which local authorities are represented should be established to enable the latter to represent their interests and views. The Seminar was generally of the view that machinery of consultation would be valuable and should be set up.

3. Special purpose statutory bodies can become too numerous and thereby create fragmentation in administration and also may give too much control and power to special interest groups. Such bodies should be subject to control and regular review by the Ministry or department of local government and other Government agencies concerned.

9. The initiative for creating the special purpose statutory bodies should be:

a) with the ministry or department of local government and other central agencies concerned when they deem necessary.

/ b) with the

b) with the multi-purpose local authority or authorities concerned by petition to the responsible central agency when they consider a special purpose body necessary to handle a particular problem.

CHAPTER XI

ASSOCIATIONS OF LOCAL AUTHORITIES AND OTHER NON-GOVERNMENTAL OR QUASI-GOVERNMENTAL AGEN- CIES CAPABLE OF ASSISTING LOCAL AUTHORITIES

1. The Seminar has focussed its attention mainly on central or state government agencies that can improve the effectiveness of local government. However, in several countries of the region associations of local authorities and other non-governmental or quasi-governmental training and research institutes have also contributed significantly, toward improvement of local government.¹ In a number of countries elsewhere they are the principal source of technical assistance and service to local authorities.

2. These associations of local authorities in the region are voluntary. A class of local authorities, as for instance, municipal corporations, or rural local Boards constitute themselves into an association, hold periodic conferences to discuss their common problems and set up an executive body and a small

1. The following associations of local authorities local government research and training institutes and professional organisation of local government and employees are illustrative.

Ceylon: Association of Urban Councils

India: Central Council of Local Self Government(Union)

All India Conference of Mayors and City Corporations (Union)

All India Panchayat Parishad (Union) Chamber of Zila Parishads (States) District Associations of Panchayat Samitis

Block & Taluk Associations of Panchayats

Indian Institute of Public Administration, All-India Institute of Local Self-Government, Federation of All-India Local Authorities All-India Local Bodies Officers Association

Iran: Iran Municipal Association

Philippines: Barrio Lieutenants' Association; Village Headmens Organisation; League of Governors and City Mayors.

secretariat for day today work. Where the country is large and there are numerous local authorities at various levels, associations are organised on a regional or even district basis. The associations are financed mainly by subscriptions of member local authorities. But the central government may sometimes provide financial support for these associations. In one country in the region associations of local authorities have acquired real property which yields a substantial income.

3. Training institutes are usually set up by central governments, but sometimes also by private agencies. Even in the latter case they depend very largely on government support for their finances. Professional organisations on the other hand are voluntary agencies and depend mostly on their members' support, although for undertaking specific services they may receive assistance from the government. They need to be recognized by the government. In some instances, professional organizations receive very substantial help from the government which almost makes them instruments of the government.

Contd. from pre-page.

Japan: Associations of Local authorities (Prefectoral Governors and Assembly Chairmens Association 2; City Mayors and Assembly Chairmans Association 2; Town and Village Assembly Mayors and Chairmens 2 = 6)

Korea: Seoul Institute of Municipal Research

4. Associations of local authorities and autonomous research and training institutes associated with them can perform some services to local authorities which a central government ministry or department either cannot perform or cannot perform as well. These include representation of the interests of local authorities when national legislation or other measures are under consideration; advice to central government agencies, research on local government fiscal and other matters, including central-local relationships, from the standpoint of the local authorities themselves; exchange of information and stimulation of other forms of cooperation amongst local authorities; preparation of by-laws and provision of legal advice - especially on matters involving controversy with central government agencies; facilitation of the flow of information through newsletters and cooperative relations between central government agencies and local authorities; and fostering decentralisation through increasing reliance upon local authorities.

5. As experience in several countries demonstrates these associations and institutes can also provide some of the services that have previously been listed as appropriate functions of the ministry or department of local government. These include assistance in purchasing supplies, printing, budgeting and accounting, training of staff, personnel service, special studies, and organisation and methods.

6. Accordingly, where these do not exist governments should foster the establishment and strengthening of associations of local authorities and training and research institutions. Although it is better for associations of local authorities to be free of financial dependence on the central government, this may be unavoidable for a time until they get established on a firm footing with continuing support from their members in the form of dues and service charges. Moreover, it is proper for an association of local authorities to receive payment from the central government for services which the associations render to local authorities on behalf of the central government -- i.e. in fulfillment of latter's responsibility.

7. The central government should avoid duplicating the services available to local authorities from other sources. But the nominal provision of services by non-governmental bodies does not absolve the central government of its own responsibility for ensuring the provision adequate services to local authorities. Moreover, there are many functions, involving both assistance and supervision such as support of technical service and audit of the use of grants-in-aid, that central government must itself carry out in order to discharge its responsibility.

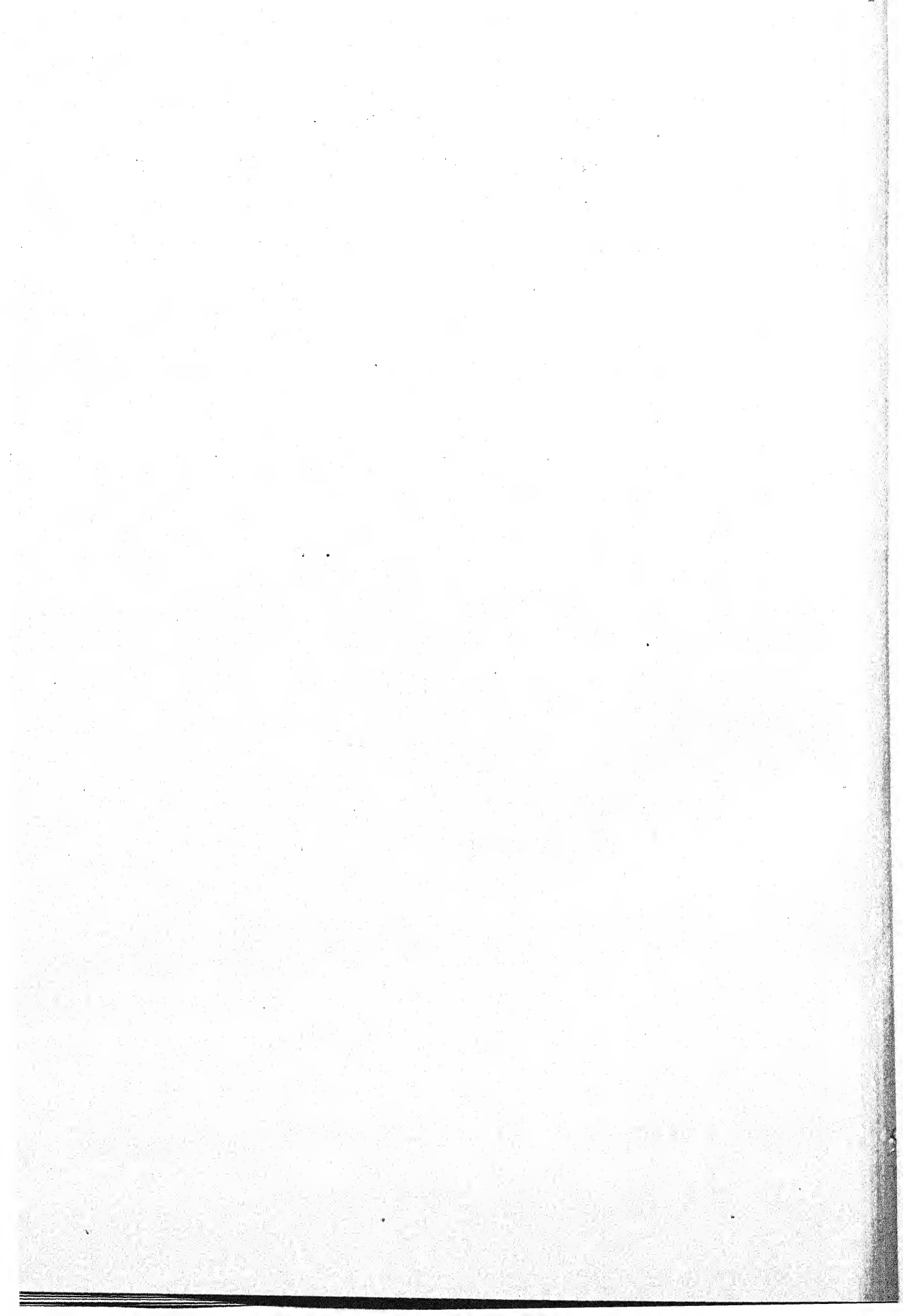
8. Governments should not as a rule be represented on the governing bodies of associations of local authorities. Where they assist associations financially, they should be able to satisfy themselves that the funds given are used for the purpose intended and to ensure that remedial action is taken if there

has been misuse of funds. They can do the latter by representations to the executive council of the association, by withholding of further assistance, and by other means and its disposal -- without having representation in the governing body of the association.

9. The question of whether the central government should itself provide a service to local authorities or contact with an association of local authorities or related institutions for the purpose must be assessed by the Government on the basis of which method will enable it best to fulfil its responsibilities.

. . . .

UN/rcs.



PROFESSIONAL AND STAFF ASSOCIATIONS FOR LOCAL AUTHORITIES PERSONNEL

Professional Organizations:

1. Professional Organizations have been established in most countries of the region but with some exceptions they are relatively weak. The organizations are usually on a national basis for members of particular professions who possess prescribed qualifications irrespective of employment. Usually only a few professions are so organised. Cost is the common factor limiting their operations.
2. Professional organizations can be organized not only on a purely professional basis as usually understood, for example, medical, mechanical engineering, etc., but also on an occupational basis where specific and high standards of qualifications and ability special to local government occupations, are required as for example, local government accountants, public health officials, etc., or for groups of such officials. Circumstances and conditions in the different countries vary so much that the method chosen should be tailored to meet them. There is need for a definite policy in this regard. It is desirable that the special requirements of local government be recognized.
3. Such organizations functioning effectively can exert a profound influence on the status of its members, and further professional training, research and become a centre for the collection and dissemination of appropriate publications and documentation covering wide fields. Through the experience

/ they acquire

they acquire and the studies which they can make of the operations of their members. They can help to improve the standards of academic study qualifying for membership. They can provide personal services to both members and local authorities . . . by publicizing vacancies to be filled and serving as a channel to facilitate mutual transfers.

4. Professional organisations could also serve to fulfil some of the purposes of a staff association, and indeed in seeking to advance the professional status of its members they partake somewhat of the nature of staff associations. But generally speaking, it is better to keep the two roles separate particularly in this region at least in the early stages.

5. There are less common in the countries of the region than professional organizations, although it is quite common for trade unions to admit as members industrial workers employed in central and local government.

A staff association (i.e. a syndicate) can cater for all members of local government staffs, or a professional specialization therein, or for particular levels of staff, or for members of central and local government staff, and in one form or another each system is to be found in the region. The main purpose of an association of this kind is to establish a cooperative basis for negotiations with senior level officials and government agencies and public or local government service commissions on

/ matters relating

matters relating to the conditions of employment of the grades represented and to secure their improvement. But another important function is joint discussions with employers to improve work methods and outputs and generally to solve problems affecting both sides. As an association grows in strength, it is not unusual to find it so organized as to be able to initiate moves for improvement of work methods and conditions based upon its studies.

6. Where staff associations do not exist, the timing of their birth and the political climate at such time are important. The potential membership should be sufficient to make an association viable, and there should be a willingness in the appropriate official quarters to accept, or at least try out, this new development. There is little doubt that much good can result from this kind of collaboration and cooperative effort, but any early failure could result in a set back and postpone the realization of desirable schemes by many years.

7. Direct financial support by government would be undesirable for the maintenance of a staff association, but it would be a worthwhile investment for government to assist in its establishment and to provide facilities for its operation by permitting a limited number of association officials to have time off ordinary duties for association work. A preliminary step to establishing an association would be to introduce a

/ scheme for

scheme for staff consultation whereby government agencies could seek the views of the staff in connection with matters involving the staff, including those concerning better methods of work.

8. Generally speaking, the need is recognized for both professional organizations and staff associations. They are definite assets to a country and it should be the government's policy to encourage them. They can be of great help in improving administrative efficiency.

9. Cost is a limiting factor in establishing professional and staff associations. In the initial stages therefore it may be necessary in most countries in the region to concentrate on the development of one or the other of these organizations. One of the participant's expressed the view that in the early stages, professional organizations should be encouraged. It was suggested also that staff associations should be encouraged to interest themselves in the professional development, interests, and conduct of their members.

10. A further question discussed was whether professional organizations and staff associations should be organised separately for employees in the national and local governments and whether these should be organized horizontally or vertically. The Seminar participants were of the view that it is desirable to encourage the formation of professional organizations on a vertical basis, and inclusion of national, state and local government employees in the same organizations.

11. In some countries professional organizations and staff associations are required to be registered and recognized before being permitted to operate. These are, however, matters of detail that do not affect main issues.

PROFESSIONAL AND STAFF ASSOCIATIONS FOR LOCAL AUTHORITIES PERSONNELProfessional Organizations:

1. Professional Organizations have been established in most countries of the region but with some exceptions they are relatively weak. The organizations are usually on a national basis for members of particular professions who possess prescribed qualifications irrespective of employment. Usually only a few professions are so organised. Cost is the common factor limiting their operations.
2. Professional organizations can be organized not only on a purely professional basis as usually understood, for example, medical, mechanical engineering, etc., but also on an occupational basis where specific and high standards of qualifications and ability special to local government occupations, are required as for example, local government accountants, public health officials, etc., or for groups of such officials. Circumstances and conditions in the different countries vary so much that the method chosen should be tailored to meet them. There is need for a definite policy in this regard. It is desirable that the special requirements of local government be recognized.
3. Such organizations functioning effectively can exert a profound influence on the status of its members, and further professional training, research and become a centre for the collection and dissemination of appropriate publications and documentation covering wide fields. Through the experience

/ they acquire

they acquire and the studies which they can make of the operations of their members. They can help to improve the standards of academic study qualifying for membership. They can provide personal services to both members and local authorities by publicizing vacancies to be filled and serving as a channel to facilitate mutual transfers.

4. Professional organisations could also serve to fulfil some of the purposes of a staff association, and indeed in seeking to advance the professional status of its members they partake somewhat of the nature of staff associations. But generally speaking, it is better to keep the two roles separate particularly in this region at least in the early stages.

5. There are less common in the countries of the region than professional organizations, although it is quite common for trade unions to admit as members industrial workers employed in central and local government.

A staff association (i.e. a syndicate) can cater for all members of local government staffs, or a professional specialization therein, or for particular levels of staff, or for members of central and local government staff, and in one form or another each system is to be found in the region. The main purpose of an association of this kind is to establish a cooperative basis for negotiations with senior level officials and government agencies and public or local government service commissions on

/ matters relating

matters relating to the conditions of employment of the grades represented and to secure their improvement. But another important function is joint discussions with employers to improve work methods and outputs and generally to solve problems affecting both sides. As an association grows in strength, it is not unusual to find it so organized as to be able to initiate moves for improvement of work methods and conditions based upon its studies.

6. Where staff associations do not exist, the timing of their birth and the political climate at such time are important. The potential membership should be sufficient to make an association viable, and there should be a willingness in the appropriate official quarters to accept, or at least try out, this new development. There is little doubt that much good can result from this kind of collaboration and cooperative effort, but any early failure could result in a set back and postpone the realization of desirable schemes by many years.

7. Direct financial support by government would be undesirable for the maintenance of a staff association, but it would be a worthwhile investment for government to assist in its establishment and to provide facilities for its operation by permitting a limited number of association officials to have time off ordinary duties for association work. A preliminary step to establishing an association would be to introduce a
/ scheme for

scheme for staff consultation whereby government agencies could seek the views of the staff in connection with matters involving the staff, including those concerning better methods of work.

8. Generally speaking, the need is recognized for both professional organizations and staff associations. They are definite assets to a country and it should be the government's policy to encourage them. They can be of great help in improving administrative efficiency.

9. Cost is a limiting factor in establishing professional and staff associations. In the initial stages therefore it may be necessary in most countries in the region to concentrate on the development of one or the other of these organizations. One of the participant's expressed the view that in the early stages, professional organizations should be encouraged. It was suggested also that staff associations should be encouraged to interest themselves in the professional development, interests, and conduct of their members.

10. A further question discussed was whether professional organisations and staff associations should be organised separately for employees in the national and local governments and whether these should be organized horizontally or vertically. The Seminar participants were of the view that it is desirable to encourage the formation of professional organizations on a vertical basis, and inclusion of national, state and local government employees in the same organizations.

11. In some countries professional organizations and staff associations are required to be registered and recognized before being permitted to operate. These are, however, matters of detail that do not affect main issues.

C H A P T E R X I I I

CENTRAL ASSISTANCE IN THE FIELD OF PURCHASING

1. In some countries central purchasing services have been established to meet the needs of local authorities. It is possible to organise a central purchasing agency in a number of ways. The central government can itself serve as the purchasing agency; an association of local authorities could undertake the service; or some other form of cooperative organisation could be used. The choice of the particular method would depend on the circumstances of each country.

2. The relative merits of centralised purchasing and local purchasing for meeting the requirements of local authorities, and of alternative methods must be carefully weighed before a choice of method is made. There are of course stronger reasons why central government agencies should be required to utilise central services for purchases than is the case with local authorities. But it is by no means certain that a central purchasing service is always best where an efficient means/^{of} distribution already exist through the private sector.

3. Where a central purchasing agency has been established, it is only reasonable that its services should be utilised whenever a better service can be obtained than through local suppliers. Prima facie, whilst many reasons are advanced why articles can be procured more cheaply and efficiently by a central purchasing agency, this remains to be proved in the light of circumstances in the different countries and places where the goods are required.

/ 4. There can be

4. There can be little doubt that quick moving supplies such as stationery can be provided efficiently and probably more cheaply through a central source, provided the quantities required can be moved easily and the distance from the central point of distribution is not too far. Central supply of items of equipment in fairly general use can also be advantageous in the interests of standardization which in turn facilitates maintenance. But otherwise it would be better to leave local authorities to choose whether central services are used or not, provided occasional evaluations of relative costs are made by them. Where the needs of a local authority are considerable there seems to be no reason why a central purchasing agency should not have to submit a competitive tender along with other possible suppliers.

5. Goods subject to supply licenses, whether imported or not, or where a black market exists, or which possess high scarcity value, normally should be obtained through central government sources. But special care will be needed to ensure that the quota approved for public use is not exceeded and that the private sector is not denuded of its prescribed quota through unauthorised diversion.

6. A particularly effective service which can be organised by a central supply service is to make open contracts with private suppliers for which local authorities can demand directly and account directly. This saves considerable delay and distribution costs and reduces the work of central inventories. The economic implications of such procedure should be considered in the case of each contract.

/ 7. Another

7. Another service is that of ~~testing~~ ranges of commodities and goods and circulating specifications and comparative values. Often delivery price is only one factor in cost determination and it may be better to pay a higher price initially for a better article; a central service with laboratory and other testing services can help considerably in such cases.

8. Generally speaking, if highly specialised items are to be organised through a central service, they should be obtained through the particular technical agency concerned; for example, medical stores, some specialised electrical equipment, etc.

9. Whether suppliers are purchased locally or through central services, there should be some inspection on receipt where the quantities are considerable at least for quantity and general condition. Specifications should also be sample-checked wherever possible. Central government agencies and their local representatives, if any, could be of assistance in this field.

10. There can be no general conclusion in this ~~matter~~. The decision must depend upon the circumstances in the different countries. But if a local authority is large enough and has the necessary skilled personnel, the onus of deciding the best course should be left to the authority with the usual safeguards against unfair trading and privilege. In deciding this question, an important consideration should be the encouragement of local trade. It is doubtful whether

/ it is worth while

it is worth while to make even the small local authorities use a central purchases organisation except for some classes of goods required for technical services. Cost should be an important factor. In order to disclose this, the fairly common practice of a central purchases organisation adding a percentage to the cost of goods for its own overhead distribution costs should be adopted generally.

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FOR PARTICIPANTS ONLY

CSLA/2/2
(Work Group Report)

30 October 1963

ORIGINAL: ENGLISH

UNITED NATIONS/EROPA SEMINAR ON
CENTRAL SERVICES TO LOCAL AUTHORITIES

Report of Work Group B

- Agenda Items:
3. Framing Local Government and
Defining Powers and Functions
 4. Legal and Administrative Provisions
to strengthen Local Government
- References:
3. IULA Pages 32-43
DNLD Paras 14-52:58-76
EROPA CSLA/10 Pages 25-26
 4. IULA Pages 44-49: 129-132
DNLD Paras 84-95
CSLA/1 Paras 15-17

A.IQBAL
Rapporteur



Agenda Items 3 & 4

1. The framing of local government system for a country raises immediately all the problems connected with local government area, structure, levels, functions, finances, central-local relations, and methods of supervision and control. An idea of the objection to be realised through local government and of its place in the Government of the country is essential before these problems can be solved. Without a philosophy of local government and a firm conviction of its necessity the task of framing local government system cannot be undertaken with any prospect of success.

2. The first question to be answered is whether general provision for the local government system should be included in the constitution of the country or should be left entirely to ordinary law. There is a view that local government should be "anchored in the constitution". The more common practice is to leave local government to be dealt with solely by ordinary law supplemented by ministerial rules and regulations.

3. On balance it is considered advisable for the constitution to contain a statement of national policy in favour of decentralisation as rapidly as possible to locally elected bodies. This would emphasise the democratic character of the constitution and indicate the direction for future growth. However, only

/such a

such a general statement of policy or declaration of principles should be embodied in the constitution. To assure flexibility and freedom for growth the structure, powers, and functions of local authorities should be left to be dealt with by ordinary law or regulation.

4. It is necessary to emphasise here that the maintenance of a system of local government should be common ground between political parties and between central and local authorities. Recognising that changes in relationship between central and local government may and should occur through the operation of political processes, the local government system as such requires stability and should not be subject to the vagaries of national politics.

5. The question of areas and the levels of local authorities are inter-related and depend upon historical, geographical and ethnic factors as much as on technological and administrative considerations and the presence or absence of a sense of community in neighbourhood areas. There is no universally applicable rules according to which the areas of local authorities and a number of tiers can be determined for all countries. Every country will have to determine these questions with reference to its own particular situation and requirements.

6. From the experience of countries in various parts of the world, including newly independent countries, it may be

/inferred

inferred that two units of local self government, one small and the other large are ideal. The former should be the largest level in which a sense of community exists and the latter should cover the largest area from which most technical services that are required can be provided efficiently. It should not, however, be so large that an elected counsellors cannot meet frequently.

7. Consideration should be given to the size of areas for the efficient administration of the different technical services for which local authorities are, or will be responsible, for example, education, major roads, public works, electricity and others in which decentralisation may be effected. The U.N. document on DNLD contains papers in the annexure on the optimum areas for the efficient administration of elementary and secondary education, public health, social service and agriculture. These were prepared by the representatives of FAO, UNESCO, WHO and the Bureau of Social Affairs of the United Nations. It was concluded on the basis of these papers that where technical services are to have common areas it will be most economical if the size of the area is at least as large as is required by the technical service having the largest area requirement for its activity at that level. The study suggested that the smallest common area for administering these services (agriculture, education, health and social services) economically is likely to be one comprehending about

50,000 people.

8. In defining local government areas, a size of area that will make possible efficient administration of a large number of technical services should be chosen for the larger authority.

9. Other important criteria in determining areas, such as financial resources, ease of supervision and difficulties of inter-local cooperation, reinforce the case for newly developing countries opting for areas as large as possible in order that they may become strong and viable.

10. The financial capacity to support the services appropriate local government is an important criterion in determining local government areas, but is secondary to the area requirements for the performance of the technical services themselves. Finance can be taken care of by the assignment of taxes and grants-in-aid as may be needed.

11. There is a second aspect of the area problem to which attention must be paid: the relationship of urban to rural authorities. Concentration of population in urban areas permits and necessitates greater devolution of authority. It is generally accepted that the local authorities for metropolitan areas should have direct relationship with the central or, in federal systems, state governments. Those for smaller urban areas, for example, market towns should have elected councils

/of their

of their own and administer most of the environmental and welfare functions. But whether these should be tiered under the jurisdiction of a higher level local authority is debatable.

On the whole, it would appear to be most advantageous to recognise them as parts of the larger authority for certain purposes and allow them a greater measure of autonomy in local matters than is normally permitted to smaller local authorities. If possible, a hierarchic relationship should be avoided.

12. The considerations that should weigh in the determination of levels or tiers of local government are: the availability of financial resources, technical considerations, the availability of competent technical personnel and local leadership, economy and efficiency in administration, simplicity and the capacity of the public to understand and operate the system. The levels should not be more than are indispensable for the performance of the public services. Too many levels confuse the public, lead to inefficiency by dividing responsibility, increases expenditure and make heavy demands on the scarce administrative and technical personnel. Where there are too many levels none of them may have adequate work, the authorities tend to become ornamental and cease to be functional. For these reasons the multiplication of levels should be avoided.

13. For technical services three levels have been identified:
(1) the level at which technicians come into direct contact with
/the public

the public; (2) the level at which supporting services like supervision, supply, planning, training and applied research operate; (3) the level at which overall development services operate including comprehensive policy formulation, legislation, financing, national planning and major public works.

14. The powers and functions devolved upon local authorities must depend on factors such as the size of local authority, its financial resources, its experience and competence in administration, etc. These vary from country to country. It is obvious, however, that in some developing countries the actual powers and functions of local authorities are meagre as compared with the powers which could be entrusted to them. A precise division of functions and powers between central government and local authorities within the province of each is neither practical nor desirable. But to demarcate certain powers and functions as primarily the responsibility of local authorities is both possible and desirable. And this field should be as wide as possible. The powers to be assigned should be determined on technical and administration considerations and should not depend on political convenience.

15. Many functions or aspects of functions which at present are largely in the hands of central (or state) government and its field agencies could be decentralised in varying degrees. These

/include

include a variety of services affecting the development of agriculture and natural resources; town and country planning; communications, economic development, public health, social services, public works, the management of properties, public buildings and others. In some countries, a system of devolution on territorial rather than on functional lines is being followed so that a unit there performs most functions of government in its area.

16. Some functions could be handed over to local authorities wholly, but in most, especially the technical services, a sharing of responsibilities between the central government and local authorities would be necessary. The devolution of powers should be as extensive as possible, and as technically qualified personnel become available and local competence increases, the transfer of responsibility to local authorities should increase.

Legal and administrative Provisions to strengthen local Government

17. It has been pointed out earlier that one of the first questions to be decided in establishing a system of local government is whether it should be given a basis in the constitution or only in the ordinary laws of the country. Apart from the basic laws or statute directly concerned with local government various other laws enacted by the national or state legislatures affect the scope of the powers vested in local

/ authorities

authorities and their exercise. These may be simply regulatory of the services provided by local authorities or definitely restrictive. Laws which increase the authority and responsibility of local authorities for rendering services can add to the strength of local governments, if they provide also the financial means to cover the expenses involved.

18. Developments in technology, the movement of populations, and the growing complexities of modern life render it difficult in urbanized areas for local authorities established under simpler conditions to provide the services needed by a more advanced society unless basic changes are made in the structure of urban government. Generally speaking the growth and development of local authorities has owed much community of interests and there is frequently much opposition to proposals for change, particularly where a high degree of civic pride has developed as a result of the successful operation of local authorities. Legal powers may, therefore, be necessary to bring about needed changes either through agreement of the local authorities concerned or compulsorily. Use of such powers is sometimes an alternative to the direct assumption of functions by the central government. Such powers are necessary to enable local authorities to meet new problems that arise and to adjust themselves to changing needs.

/19. Laws

19. Laws may provide for local authorities to cooperate either for a specific purpose or more generally and can extend to the joint management of particular services and enterprises. This system is applicable both to large and small authorities and permits the freedom of action of the cooperating authorities to be retained.

FOR PARTICIPANTS ONLY

CSLA/2/3

Work Group Report

30 OCTOBER 1963

ORIGINAL: ENGLISH

UNITED NATIONS/EROPA SEMINAR ON
CENTRAL SERVICES TO LOCAL AUTHORITIES

of
Report/Work Group B

Agenda Item 5 : Organisation and functions of the Central Government Agency dealing with local government. Its relationships with other ministries and with local authorities. Means to assist and otherwise provide a framework for effective local government

Reference: IULA. Pages 50-65
CSLA/1 Paras 25-30
DNLD. Paras 237-246

Agenda Item 6 : Other ministries dealing with local government or agencies for rendering technical services, (e.g. finance, health, education, social services, community development, etc.) to local authorities. Their relationship with local authorities and with central government local administrations, e.g. district and provincial

References: DNLD. Paras 224-236
IULA. Pages 66-68
EROPA/CSLA/10
Pages 15-22

DEVRAJ
Rapporteur

1. A central ministry or department of local government is an indispensable instrument for fostering the growth of local self-government. This can be a separate Ministry or it may be combined with a Ministry dealing with general internal affairs or with specific matters such as Public Health, Social Welfare, Education etc. The location of responsibility for local government with a Central (or State) government will depend to some extent on circumstances in each country. However, where local government units are expected to play a large part in economic and social development or a new start is being made to set up a system of local government or to improve an existing system by intensified efforts it is advisable to place the responsibility in a separate ministry created for the purpose. This course has been adopted in many countries. The singleness of purpose and the specialised knowledge that such a ministry will bring to its task of developing local government will facilitate its accomplishment. Such an agency or ministry has to serve as a guide to local governments in the solution of their current problems and as coordinator. It must set its sights on the future and be prepared in the hazards and changes of policy that may affect the development of local government. It must be the advocate of the interests of local authorities with the central government and the central ministries which have powers over local government or connections with it. To this, central agency should be allocated all functions which do not require specific technical ability. One of its important functions will be to see that in planning their activities the technical departments of government take into account the present and future responsibility of local government. For this

it would need technical officers of special skills and training as advisers. These have an important role to play, particularly as local government gains in strength. They provide the essential link between local government and the central ministries on technical questions. It has been observed: "The mere existence of a Ministry whose whole business is to promote, advise and supervise local authorities should (and usually does) make an enormous difference to the atmosphere in which local government works".¹ The creation of an atmosphere in the nation that is favourable to local self-government should be an important aim of the central ministry.

If, however, it is necessary to combine responsibility for local government with that for other activities, it should be combined only with those that are directly related to and compatible with local government such as a department of Community Development. Responsibility for local government should not be placed in the central agency that has responsibility for police functions at the local level.

It will be desirable that the problem of rural and urban local government units should be dealt with by the same central (or state) agency. However, where special emphasis is to be given to rural or urban development separate agencies may be necessary for a time for the support of these programmes.

/In federal

1. Hicks: Development from below.

In federal states, a national agency charged with responsibility for national support of state activities relating to local government is likely to be advisable. The organisation and functions of such an agency and its relationship with state and local authorities will differ between federal states but the subject is one meriting comparative study.

2. The attitudes of different ministries and their policies towards local authorities will differ and will need to be related to the purpose of building up local self-government. This is a task that will grow in importance as the stature and competence of local authorities increase as their views would also require to be harmonised with those of the central ministries. It will be necessary to maintain a just balance between the central ministries with their own specific functions and those of the central ministry for local government. An impossible situation would be created if the central ministry for local government, were to assume dominance over other ministries. Equally it would be wrong if the separate ministries in carrying out their specific functions could over-ride the central agency responsible for local government.

3. The central ministries should maintain direct contacts with local authorities to avoid delay and red tape and should not have to channel routine matters through the local government agency. The latter should, however, be kept informed of important institutions and proposed changes in relationships of other ministries with local authorities. Matters of importance however should be discussed with the ministry-incharge for local government before

/action is

action is taken so that the full consequences can be assessed.

4. The central agency has its obligations to develop responsible local government; the several functional ministries have their responsibilities in their respective fields. All these responsibilities and activities have the common objective of improving living levels and they must be reconciled to this end. If a reconciliation of differences among them cannot be effected through interdepartmental or inter-ministerial consultations, the normal machinery of government for settling such issues must come into play with resulting decisions.

5. It is not possible to recommend any one pattern of the functions which should be carried out by a ministry or department of local government, for these depend on the circumstances of different countries especially the degree of development achieved in the sphere of local government.

Within the concept of the purpose that a central agency for local government should stimulate, guide, advise and do all things possible to establish and maintain responsible and efficient local government, the following functions may generally be carried out with such variations as may be necessary to suit local conditions:

I. POLICY FORMATION

- a) Taking all measures possible to improve standards of administration of local authorities and to provide all possible support thereto.
- b) Taking all measure to develop local Government pursuant to Government policy.

/c) To act

- c) To act as Principal Adviser to Government on all matters concerning local authorities and in formulation of policies in respect of organisation and functions of local authorities.
- d) Conducting broad investigations and enquiries through the Committees and Commissions in the affairs and working of local authorities to assist in the evolution of general policies.

II. LEGISLATION, ADMINISTRATION, SUPERVISION:

- a) Defining powers, duties, organisation and basic features of local authorities and preparing necessary legislation for the purpose.
- b) Defining and demarcating areas, jurisdictions and boundaries of local authorities.
- c) Delineation of election wards in constituencies and supervision in conduct of election of local bodies.
- d) Maintenance of standards for the guidance of local authorities in matters of administration, development, training, etc.
- e) Framing of rules and by-laws and undertaking legislation on local matters.
- f) Tendering legal advice and provision of judicial machinery and other assistance for the enforcement of local laws and regulations.
- g) Inspection and supervision of the working of local authorities through higher levels of fields authorities and through reports and enquiries.
- h) To act as arbitrator in disputes between local authorities.
- i) Assisting in the organisation and association of local authorities.

III. TRAINING AND PERSONNEL

- a) Fostering the development of career service for local authorities by having local government cadres in administration and technical fields.

/b) Training

- b) Training refresher courses and seminars as well as arranging for higher education and training in foreign countries and orientation of council members.
- c) Framing rules, etc., for regulating conditions of service in local authorities.

IV. FISCAL POLICY AND FINANCIAL ASSISTANCE

- a) Advising the Government on all fiscal policy affecting local authority.
- b) Allocation of sources of revenue and assisting and advising in tax administration including formulation of rules and regulations of taxation and assessment.
- c) Fostering the establishment and maintenance of standards in budgeting, accounting and other financial practices through accounts rules, financial supervision and audit.
- d) Ensuring adequate finance for the execution of programmes and extending assistance by way of grants, subsidies and loans, mobilizing support of other departments and ministries as well as private and public financial corporations, including supervision of public borrowing by local authorities.

V. PROGRAMME, PLANNING, COORDINATION AND SUPPORTING SERVICES

- a) Coordinating the local plans for local works and activities with the State and national plans.
- b) Evaluating effectiveness of new programmes and activities and tendering advice to strengthen them.
- c) Act as a clearing house for transmitting intelligence and information about programmes and plans of other ministries, guiding them to obtain assistance both technical and financial.
- d) Transmitting requests to appropriate technical agencies and ministries of the Central/State Government and to watch and see that needs of the local authorities were attended to properly and expeditiously.
- e) Town and Village Planning and surveys - physical and social work unless taken up by other departments.

/f) Assist

- f) Assist in the procurement of materials and equipments. .
- g) Assisting in designing and execution of major local projects e.g., water supply, sewerage, electric installation etc.

IV. RESEARCH INFORMATION AND STATISTICS - INCLUDING PUBLICATIONS ON MATTERS OF LOCAL GOVERNMENT

6. The emphasis of this paper so far has been on the following points:
- 1. There should be a central agency, department of separate ministry, to foster the development of responsible local government; and where this stage has been reached, to be a support to and a co-ordinating influence between the various local authorities, and between them and other ministries having responsibilities connected with local government or which affects the latter.
 - 2. Except such specific technical services as are already performed by existing ministries or departments of government, all functions which concern local government should be allocated to this agency.
 - 3. The central agency should not exercise supra powers over other central agencies; neither should the other separate agencies (ministries etc.) override the central local government agency. The respective responsibilities of all must be respected and wherever possible agreement to courses of action secured before the necessity arises of raising a matter of contention to the highest level for decision (e.g. cabinet, council of ministers).

/4. There

4. There should be some technical officers with the central government agency, mainly in the role of advisers, to facilitate consultation on technical matters with other central agencies.

7. The foregoing presupposes that some reasonable progress has been made in establishing local government. Where this is not the case and the necessity to accelerate progress is recognized it may be wise for the central local government agency to have some field organisation to assist in this development. The same principles which have been described concerning the relations of the central local government agency with other agencies should apply with equal force to these units. They must work in close harmony with local administration, and the success of their efforts will largely be judged by the speed with which responsible local government is established.

8. The organisational pattern of the central local government agency discussed in the foregoing will necessarily be dependent upon the degree of devolution of activities achieved, the general form of the central government machinery, and the support services which it is possible to provide.

As a guide the following suggests the more important units of organisation which should be included, apart from the customary administrative and finance units for the internal administration of the central agency.

Local Authorities Organisation and Establishment Division: concerned with organisation, boundaries, local authorities, personnel matters, training and

/staff education,

staff education, public relations, work methods.

Planning, Development & Coordination Unit: For such duties as the heading indicates and those involving relations between central agencies and with local authorities. Includes such technical personnel as may be necessary.

Fiscal Policy, Finance Support, Loans, etc.:

Research, Information and Statistics Unit:

Field Organisation: which should only be necessary in initial stages and as described in paragraph 7.

9. The expansion of the functions of government whether at the central or local level multiplies the contacts between the two. Local authorities need the assistance and approval of the Ministry of Finance in nearly all financial matters. Many technical ministries are concerned with local government, and the implementation of their own programmes usually benefit considerably from co-operation and assistance of local authorities.

10. Local authorities will also be seriously handicapped in their work and subjected to contradictory advice and directions, from the central ministries perhaps impossible to carry out, if there is no machinery for coordinating their relationships. These relationships may be further complicated by the intervention of lower echelons of central government administration ministries, e.g. Provincial and District. It should be one of the major responsibilities of a central ministry of local government to avoid

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such a segmented approach to central-local relations and to secure both consistency and continuity in central policies -- in a word to achieve an integration of financial and administration policies towards local government.

11. The interests of local and national governments are becoming so closely inter-related that a high degree of coordination and co-operation is required between different levels of government. If the local authorities are to overcome their disabilities and realise their potentialities for useful service, it would be a mistake to lay too much emphasis on local autonomy and freedom from central interference. The local-central government relationship must be founded on compatibility - indeed mutuality of interests, a matter of partnership and cooperation aiming at securing the best possible and most efficient service for the people. The general objective should be to retain as much control as is necessary to secure the broad objectives of national policy and to leave an adequate amount of initiative, responsibility and freedom of action with local authorities in the light of their knowledge of local conditions and local needs. A central ministry must have a clear idea of its mission, which is to help the growth of local self-governing institutions to maturity and strength. Its attitude towards local authorities should be such as to make the latter turn to it naturally for help and guidance. This attitude can be fostered by regular issue of memoranda or circulars to keep local authorities informed of the development of national policies and programmes, the procedures to be adopted and general conditions to be observed for obtaining financial and technical assistance; and a continuous process of contacts and discussions between the representatives of

/the Central

the Central Ministry and elected and professional representatives of the local authorities. This emphasis the need for staffing the ministry with competent and adequately trained personnel enjoying a liberal career service.

12. The most important central ministries concerned with local governments are Finance, Public Works, Agriculture, Health, Planning and Community Development departments. The Divisional and district officers also come into intimate contact with local governments. The Finance departments relationship to local government is both extensive as well as important. It has ultimate control over taxation, loans, and grants which fundamentally determine the activities of all local authorities. The work of Planning Departments directly affect the programmes of local authorities and the development departments tend to cover areas which are normally the field of local government or of the technical departments like agriculture, health, education and public works. There is need of proper integration of programmes to be carried out by the local authorities and the field agencies of the central departments to avoid unnecessary overlapping. The guiding maxim should be to devolve more and more of the execution of programmes to the local authority as the latter gain in strength and capacity.

13. The operations of a number of (separate) central ministries in providing local services independently, each in its segment, raises many problems. As pointed out earlier the most important of these is that of coordinating and integrating into a whole the activities of the different central ministries in the local field, and this coordination must be one

/of the

of the responsibilities of the central agency for local government.

Relating the quantum and kind of central assistance to the particular needs of different local authorities must also either be undertaken or co-ordinated by the central ministry. The allocation of resources and help to local authorities cannot be arbitrarily determined and demands relationship to needs of localities, and the objective of national minimum standards of services in all areas. The lop-sided development of services, and waste and delay should be avoided by proper coordination.

14. Programmes undertaken by local authorities on their own may require integration with central programmes so that all the work in a local area may constitute a meaningful whole.

15. The relationships of the field offices of the technical services to the general district administration, and to local authorities, pose difficult problems which can be solved only by understanding and co-operation. The field personnel of central technical ministries should be available to local authorities for expert advice in their work. The staff at the appropriate levels may preferably work under local bodies while continuing to bear responsibility for technical work to the respective technical authorities. As the technical competence of local bodies increases and they are able to engage the services of senior technical personnel the control over staff can be increasingly transferred to local authorities.

16. Coordinating the activities of the different technical services in the district has been generally the work of district officers who have been

/area coordinators.

area coordinators. But under a genuine system of local self-government such coordination must be the task of local elected bodies themselves.

17. An effective local government system is the product of a number of factors. The political tradition of the community, the level of civic consciousness and competent leadership, though intangible, are of fundamental importance. Machinery, procedures, financial adequacy, technical know-how, harmony in central-local relations, the character of supervision, guidance and control, the quality and quantum of technical assistance, the competence of local government personnel are other factors that determine the efficiency of local government. It is in these fields that a central government has to strive to build a local government system that is able to play its part in nation-building.

un/kkg.

FOR PARTICIPANTS ONLY

CSLA/2/4
(Work Group Report)

30 OCTOBER 1963

ORIGINAL: ENGLISH

UNITED NATIONS/EROPA SEMINAR ON
CENTRAL SERVICES TO LOCAL AUTHORITIES

Report of Work Group A

Agenda Item 8 : Central Supervision of Local
Authorities

References : IULA. Pages 139-152
DNLD. Paras 77-83
CSLA/1 22-24

D. Rajendra
Rapporteur

REPORT OF THE WORK GROUP A TO PLENARY SESSION AGENDA ITEM 8.

Note of points in the Report to which it is desired to direct particular attention

..

1. Central supervision and control should strike a balance between ensuring that national objectives are met, and that the responsibility and initiative of the local authority are not stifled. Para 1

2. Schemes for supervision and control must be properly planned and include variations in nature and intensity to meet any special needs and special circumstances. Para 4

3. A distinction must be drawn between ordinary administration and those concerning human rights. Latter class should be the responsibility of an independent authority, e.g. judiciary. Para 5

4. Any temptation to use methods of compulsion and sanctions should be resisted. Extreme forms such as annulment of decisions, supercession of an authority, etc. should be accompanied by rights of appeal. Para 8

5. Regular studies of the extent and methods used, and the results achieved so that timely changes can be made as performances improve. Para 9

6. The need for qualified supervisory personnel having field experience is paramount. Para 11

7. Further expert study is recommended. Para 12

..

Central Supervision:

1. In nearly all the developing countries the central government exercises supervision and control over local authorities in varying degrees of strictness. Indeed, in some countries the main purpose to local authorities would appear to be for control purposes.

It is appreciated that in many countries local government is so new and so inadequately organised, that supervision must be at least thorough. But supervision and control must also provide guidance and the means to identify where additional support is needed, and involves central/local government relations wholly. The general policy should be to exercise control to the extent necessary to see that national objectives and requirements are met; and that sufficient scope for initiative and responsibility is left to the local authorities. Unless this policy operates, the development of local government will be frustrated.

2. There seems to be reluctance on the part of central services to reduce or relinquish supervisory activities once introduced, and there is no evidence of any means, and rarely of any policy, to ease supervision as may be practicable in the interests of making local government more self-reliant.

3. The central government is obligated to ensure that basic services and development activities are provided and carried out in accordance with national objectives and standards. These basic

/ services and

services and most local development activities should be devolved to local authorities together with resources to undertake them as soon as this be possible. But the ultimate responsibility for the proper execution and functioning of the devolved activities will remain that of central government.

4. The central supervision and control required over local authorities should vary in nature and intensity as local government systems develop and becomes more firmly established. There are also wide differences between the requirements of supervision in rural and urban areas, especially metropolitan areas.

Schemes for supervision must be planned accordingly. Badly and illconceived supervisory and control schemes will prove ineffective and will do much harm.

5. A distinction should also be drawn between supervision of ordinary administration, and that which concerns human rights. In this latter case, supervision should be the responsibility of an independent authority, for example the judiciary, and carried out through its agents.

6. Local authorities should be responsible self-governing entities, but naturally subject to the State. "The kind of relationship between central and local government that has to be aimed at is neither control of local government by central government nor such concurrent powers as would be appropriate for the units of

/ a federation.

a federation. Rather the optimal relationship would be a partnership of two active and cooperative members, but with the central government definitely the senior partner."^{1/}

7. Central supervision and control should now also serve the important purpose of raising the efficiency of local administration and helping it to competence and maturity, in which purpose local authorities are just as much interested. Whilst supervision must, therefore, be concerned with the proper performance of the duties entrusted to local authorities, supervision must also be concerned at the same time with education, technical support and training services to their staff. Unnecessary interference or excessive officialdom which unfortunately sometimes persist, must be avoided.

8. Techniques of supervision and control vary. In this region, techniques tend to remain static and with a reluctance to change. However, there are welcome signs in a few countries of a willingness to change to new methods. Common techniques of control used include periodic reports, inspection, enquiries, the system of conditional grants (grants-in-aid), advice, administration. The temptation

to use methods of compulsion and sanctions can be particularly great in developing countries due to the ⁱⁿ⁻experience in the functioning of local government units. Central/local relations depend very much on the devices and the manner in which they are employed. The more extreme forms of control, such as annulment of the decisions of local authorities, supersession of local authorities,

/ and action

^{1/} Hicks: Development from Below: p. 437.

and action in default should be exercised only exceptionally and in the last resort, for their long term adverse effects can be serious and damaging to the confidence it is essential to build up. Usually the circumstances in which these extreme powers can be used are prescribed by law, but it is desirable that where such powers are used there should be a right of appeal. In very serious cases, such as superseding a council, the appeal should be to an independent statutory body.

9. The cumulative effect of the activities of supervision and control can become not only damaging to relations but actually a deterrent to action and progress. A careful review of what is being done can disclose ill-advised and wasteful controls. Certainly, many could be reduced if a well designed, simple scheme of budgetary requirements linked to proper development plans were introduced as standard practice and efforts were concentrated upon this. There should be regular study of the extent of supervision, of the methods, used, and of the results obtained, so that timely changes may be made as a local authority improves in ability.

10. New techniques are now available for the service of supervision and control which, where practised, have resulted in significant changes for the better. Consultation and advice is now an important feature of supervision. Continuous consultation by central officials in the local authority's work, and
/ between different

between different levels, will largely reduce the quantity of directives needed. Sometimes this consultation on a group or representative basis, is initiated by local authorities themselves, and this course becomes facilitated where an association of local authorities exists. It is best to have some joint consultations on a formal and regular basis.

11. To ensure effective supervision and control which a local authority will also usually recognise as reasonable and in the national interest, the central government agency for local government must cooperate with other central government agencies in respect of their needs, and coordinate all these needs with the various local authorities concerned. But other central government agencies must retain the right of dealing directly with local authorities in respect of their functions.

The need for qualified supervisory personnel with field experience and the right attitude towards local authorities cannot be over-emphasised.

12. This subject of the methods of supervision and control which ought to be exercised over a local authority warrants a more detailed study on an expert basis than can be given here. A recommendation to this effect is included with another recommendation in a separate section of this report.

...

/ksm

FOR PARTICIPANTS ONLY
CSLA/2/5 combined with
CSLA/2/10
(Work Group Report)
31 OCTOBER 1963
ORIGINAL: ENGLISH

UNITED NATIONS/EROPA SEMINAR ON
CENTRAL SERVICES TO LOCAL AUTHORITIES

Report of Work Group A

Agenda Items: 9. Financial Relations between central
 government and local authorities. Cenral
 assistance in local government finance.
 Financial Policy. Audit.

10. Loans to local authorities.

References: 9. IULA Pages 69-87
 DNLD Paras 185-220
 CSLA/1 Paras 18-21

10. IULA Pages 182-188
 DNLD Paras 221-223
 258-270

D. RAJENDRA
Rapporteur

REPORT OF THE WORK GROUP A TO PLENARY SESSION: AGENDA ITEM 9

Note of points in the Report which it is desired to direct particular attention

1. Local authorities should be provided with adequate basic revenue of their own. These resources should be sufficient to permit a local authority to discharge their basic functions, as well as meeting a proportion of the costs of most services entrusted to them.

Para 4

2. Basic resources of local authorities should preferably be derived from local taxation. Revenues arising from such services as fees, fines, etc. should be devoted to the services concerned. Revenues coming from publicly owned utilities should be used for the betterment and expansion of the utilities concerned.

Para 5

3. Sources of tax revenue for local authorities should be prescribed in legislation. Duplication of taxes levied on one source by different authorities should be avoided. There would be no objection to a cess or addition to existing or proposed taxes, but total assessment and collection should be the responsibility of one authority.

Para 6

4. Tax provisions should be flexible with growth possibilities, be convenient to pay, and not interfere with trade and movement. In principle, therefore, whilst not quickly achievable, such taxes as octroi should be discontinued as early as possible. Para 7

5. Local taxation and the administrative costs of the different kinds of taxes should be the subject of regular research with dissemination of information from central government to local authorities.

Para 8

/6. The system

6. The system and principles upon which funds are allocated to local authorities should be promulgated in the form of a code based upon the requirements prescribed by law. Para 9

7. Special attention is necessary to audit functions. Audit should include a running audit where size of operations justify this, and should aid the development of internal audit by the local authority. As the latter becomes effective, the former can be reduced. Para 12

8. Valuation of properties for taxation purposes should be conducted by a central valuation department. Para 13

9. A central loans institution should be established which will also provide advisory services to local authorities. Paras 16, 1

10. When funds are sought to establish a public utility, the latter should become a statutory corporation and not a directly operated department of a local authority. To be dealt with more fully under special purpose bodies. Para 20

Financial policies

1. The field of finance probably influences central/local government relations more than any other functions, and constitutes the main basis for whatever systems of supervision, control, and cooperation and coordination may be designed and operated.

2. The main objectives of central government in relation to finances for local authorities are to ensure that government policies including priorities as defined in national programmes are fulfilled and that minimum standards are maintained. In addition the following are particular objectives or factors which often form a part of influence on the general objectives of national programmes:

- (1) To secure a reasonable balance between available local resources and local responsibilities.
- (2) Equalization in the resources of local authorities so as to ensure that the poorer among them can achieve the prescribed national services and standards which might otherwise not be possible. Some further adjustments may have to be made as between any local authority not operating efficiently and others operating efficiently and progressing well, until central support can improve matters.
- (3) To assure that work programmes and taxation policies of local authorities conform to national policies, standards and objectives.
- (4) To ensure the prudence, integrity, and efficiency of local financial administration and the solvency of local bodies.
- (5) To ensure the effectiveness and better utilisation of financial and other resources at the disposal of local authorities.

3. There are some special features concerning the particular objective to which attention should be directed. In some countries, national

/development

development programmes and priorities, deliberately provide for unequal rates of progress as between areas in order to achieve national policies. Financial measures are most often the means to achieve the required results.

Incentives have proved successful in some countries as a means of improving the effectiveness in the use of resources at the disposal of local authorities; for example, increasing the contribution of financial assistance provided for a particular service where planned progress is bettered and the service enjoys a high priority.

4. In most developing countries the financial position of local authorities in general is weak.

Local authorities should be provided with adequate basic revenue of their own and from these sources should be able to discharge their basic functions, as well as meeting a proportion of the costs of most services entrusted to them. But this desirable state of affairs is not at present possible in many developing countries or especially where financial resources must frequently be obtained by central governments from external sources. It should, however, be a policy to be pursued. Meantime adequate financial assistance must be forthcoming from central government to match the responsibilities devolved from them to local authorities.

5. The basic resources utilised by local authorities to carry out their basic services and others devolved to them, should preferably come from local taxation rather than from resources such as fees, fines, and profits from commercial enterprises and public utilities.

/The use of

The use of revenues from such sources should be devoted directly to the services concerned. Revenues from public utilities should be used for the betterment and expansion of the utilities themselves, and for improvement of services to the public.

Whilst this also may not be capable of early application it should become policy.

6. Assured sources of tax revenue should be provided to various levels of local authorities through legislation. Duplication of taxation levied on one source by different authorities should be avoided. The same objections would not arise where an addition on a cess is levied upon existing or included in proposed taxation, but total assessment and collection should be the responsibility of one authority, with distribution of revenue after payment.

7. Taxes so reserved would vary with the economic conditions, traditions and practices of different countries but they should be convenient for local authorities to administer economically and yield a relatively stable income.

A variety of taxes may be desirable to enable local authorities to distribute the tax burden equitably, and the tax provisions should possess flexibility and growth possibilities. But a limited range of taxes can often serve local authorities best, and, subject to what has been said in paragraph above, should normally be collected by the local authorities which levy the tax in order to improve the sense of financial responsibility. Local taxation in particular must be simple and comprehensible to the people subjected to them, be convenient to pay, and not interfere with trade and movement.

/In principle

In principle, therefore, and whilst not quickly achievable such taxes as octroi should be discontinued as early as possible.

8. Local authorities taxation and administrative costs of the different kinds, should be the subject of regular research with dissemination of information from central government to local authorities.

Financial procedure

9. The variety of the nature of grants and the conditions attaching to them is usually large and even confusing; and the formulae for the determination of the amount of a grant too complicated. Formulae for determination of such grants should be readily understandable from the users viewpoint, and the procedures to obtain them simple and speedy.

Therefore, the system and principles upon which funds are allocated to local authorities from central sources should be promulgated, preferably in the form of a code based upon the requirements prescribed by law. This code should include information concerning both

(1) basic or general purposes grant given to enable local authorities to discharge functions which are obligations, taking into account the latter's own resources, including potential resources and record of performance (e.g. population, area, resources, growth factors);

(2) specific grants to accompany and demands made upon local authorities to develop services deemed necessary by central government from the view point of national policies.

10. Grants should be made on a sufficiently stable basis over a number of years (3 to 5) to enable local authorities to plan activities reasonably well ahead and should be related directly to the responsibilities and projects to be administered by them.

/A periodical

A periodic review and evaluation of the grants system should be carried out.

11. The central government's financial policy in relation to local authorities should be directed towards creating financial responsibility and stability, so that the financial intervention may initially have to be somewhat extensive but relaxing considerably as competence is gained. It is usually necessary to prescribe the forms in which accounts are to be maintained and budget estimates prepared; this is best achieved by inclusion within a financial code for the use of local authorities.

12. Special attention is necessary to the functions of audit. This should be a central responsibility so far as ensuring ^{that} it is conducted by someone independent of the local authority and of the executive of the central government.

In some cases, and especially with the larger local authorities and as they develop, it is advantageous both for audit purposes and as guidance to the local authority, if a running audit throughout the financial year can be introduced, including some features of prepayment audit and certainly audit of financial procedures, instead of relying solely upon post payment audit.

In addition to this formal system of audit, a system of local authority internal audit should be developed and as this form of audit becomes effective the external audit can be reduced to the extent that the audit authorities deem proper.

Property valuation

13. It is desirable that the valuation of properties for taxation purposes should be carried out through a central valuation department of government

/in order

in order that assessments are uniformly based and are made without being subject to local pressures and be available for all tax and even wider, purposes.

Credit facilities for local authorities

14. A growing need of local authorities is to be able to raise capital for development work of a capital nature. For a long period to come the main source of long term finance will be central government; and for an even larger period the sanction of central government will probably be required before loans can be raised because of the necessity to coordinate national monetary requirements.

15. Loans direct from central government.. on central government controlled sources are those most prevalent. Central government may provide for the loans required in the annual budget, utilize any budget surpluses for the purpose, raise the total sums required itself by means of loans, or use a combination of these methods. Apart from the obvious advantage through obtaining better loan terms, such loans would be associated with advice and guidance in connection with the economic soundness of schemes for which finance is required, and also the proper designing of schemes for loans liquidation.

16. An alternative scheme possessing the advantages of the former scheme together with the techniques of commercial banking is for government to establish a central loans institution to provide short and long term credit needed by local authorities, special purpose bodies, public utilities, etc. Such an institution can make full use of all possibilities offered by the capital market; and would be able to specialise in its very special sphere

/in a way

in a way that an ordinary agency of government is unlikely to equal.

17. A central loans institution can be organised either under direct central government control, or as a statutory body enjoying considerable autonomy, or as a cooperative venture by an association of local authorities themselves. For reasons advanced in the previous paragraph the second method is probably best.

18. A central loans institution should also be prepared to provide certain services to local authorities on a consultative basis. For example to investigate schemes from a feasibility and economic view point, and also in connection with debt redemption policies, legal matters, accounting, etc. It would not be necessary to retain staff all the time for all these services and often they could be provided as special contract services.

19. In addition to central government providing the initial capital in which local authorities could also be associated, it would not be unique for the subscribing authorities to make additional funds regularly available through ordinary budget provisions.

∴ It is desirable that when funds are sought for the establishment of a public utility the latter should become a statutory corporation. This particular aspect is discussed further in the section dealing with special purpose bodies.

FOR PARTICIPANTS ONLY

CSLA/2/6
WG Report (Revised)

3 NOVEMBER 1963

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UNITED NATIONS/EROPA SEMINAR ON
CENTRAL SERVICES TO LOCAL AUTHORITIES

REPORT OF WORK GROUP 4

Agenda Item 11 : Relationships between local
authorities and central agencies
for planning and implementation.
Particular role of local autho-
rities.

References : IULA. Page 109 (para 57)
110-122: 127-128
137-138
DNLD. Paras 53-57
EROPA CSLA/10 Pages 13-15

D. RAJENDRA
S.T. DIVERS
Rapporteurs

Local Government and National Planning

1. Planning must be progressive and should operate at all levels. But too little attention appears to have been paid to the relations between a national planning agency in what ever form constituted and local authorities, including cities, urban and rural authorities. The following outlines the main general considerations which should apply in establishing these relations.

2. An important asset of national planning is to be able to minimize the delaying effects of over-centralized functions by causing local authorities to become part of the whole complex. At the same time, the capability is created to correct the distortions which will almost certainly occur if devolution to local authorities is attempted without readiness on the part of local authorities to undertake the responsibilities, or if devolution should be accompanied by piecemeal planning and control.

3. The inclusion of local authorities does not mean that the pace of development must be restricted to a common level even for similar activities. Variations are often healthy signs and can betoken good initiative and performance and can also be deliberate, for example, to take advantage of especially favourable social and economic conditions.

/However

However, something must be known about the causes for these variations, so that suitable action may be taken to correct distorted effects of a harmful nature.

4. Central planning should be concerned with national objectives and broad outlines, including long term perspective objectives, whilst detailed objectives and plans of local significance should be left to lower levels.

A central planning agency must indicate its very broad objectives and an estimate, however, rough, of the resources recommended to be allocated to the various sectors. These broad objectives and estimates of resources provide basic information upon which more precise objectives can be determined by all the executive agencies of government, and from which national programmes can be prepared.

5. A local authority should be provided with information about national objectives for general information, and also an outlines of tasks it might be required to undertake by higher authorities, together with the resources which could reasonably be expected to be granted to carry them out. With this general knowledge local plans can be prepared better.

/6. Information

6. Information about development schemes which extend over one or more local authority areas, and especially those of a labour-intensive nature, should be advised to the local authorities concerned or affected as early as possible. Whereever possible, consultation should take place. This action is important because there are many ways in which even a moderate sized development scheme can indirectly affect a local authority's own plans, for example attraction of labour either away or to a particular area, increase in the demand upon local services such as water and public health, effect upon a local road or drainage plan, etc.

7. Development work being undertaken in or affecting local authority areas will thus bring about a net work of communication channels and the creation of different levels of co-ordination,

(1) At the central government level co-ordination of planning and implementation activities will be essential horizontal between the various ministries and departments.

(2) The operations of various ministries and departments of central government will extend through field organizations down to the actual operational level

/ which may

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(2) The operations of various ministries and departments of central government will extend through field organizations down to the actual operational level

/ which may

which may be to a local authority area or higher where superior technical support is necessary (not unusual in medical and education fields, to name but two).

- (3) There may be levels of local authorities or administrative units between central government agencies and the lower levels of local government, who will have co-ordination duties between the various technical and administrative services, and also in connection with local authorities.

Thus, at the lowest level of local government there will be a need to co-ordinate planning and execution functions in respect of projects wholly belonging to the local authority concerned, and also to some extent with those being carried out by technical services operating under directions from their superior technical levels.

8. The central planning agency should co-operate with the central ministry or agency for local government in order that contact may be maintained with the planning and development activities of local authorities themselves (which should be part of the national plan). Arrangements should not preclude direct contacts with local authorities on particular matters within certain fields known to the local government ministry or agency.

/ 9. The function

9. The function of planning in however simple a form has therefore to be exercised by all local authorities down to the lowest level and trained staff must be available for this purpose.

A local authority of appropriate size should contain its own planning unit to function, in a very limited way of course in a similar manner to the central planning agency. Channels of communication should be open between units in the planning chain for matters which need not necessarily go through the central administrative channel from local authority to central ministry or agency for local government.

Where a planning unit would not be justified because of the work load, the duties should be the responsibility of some other official of the local authority.

10. Training in planning functions thus assumes special importance and should be properly organized and preferably under the guidance of the central local government ministry or agency.

It will probably be found best for training of the more senior planning officers to take place at national level.

Group training of a few weeks' duration should also be provided for the more senior officers in the functions of planning and progressing, whereby representatives of different technical services and administration carry out combined exercises of the kind likely to be encountered.

/ Training for

Training for other planning staff might well be carried out at some intermediate level.

Town and Country Planning

11. The results of effective town and country and city planning can benefit greatly the welfare of people and also increase productivity through better services, transportation, and improving the quality and skills of labour.

Population pressures and the movement from country to urban areas also make it imperative that planning for immediate and near future needs must be related to long term objectives. Central government must therefore tell local authorities concerned about their long term ideas so that the latter may make their own plans accordingly. The co-ordination of local authorities plans nationally also assumes additional importance especially in the fields of public utilities and communications and movement of industry, and central/local authorities relations in these matters will be two way. In such important matters the channel should be through the central local government agency.

12. Forward planning should also be reflected in the determination of local authority areas. The probable course of growth in the case of urban areas and areas intended for industries and other special purposes must be taken into account, even if this results in the inclusion of a predominantly rural area within an urban local authority. Where

/ a central

a central government retains power to adjust boundaries without undue difficulty, this is probably a small problem. But later boundary adjustments may become increasingly difficult as local authorities grow in strength and effectiveness.

13. Emphasis in most developing countries of the region has been largely upon rural areas where the bulk of the population live, and especially in connection with local government. But the time has come when urban/rural relationships must be considered seriously, and at the level of the local authorities concerned in conjunction with central government authorities, among whom the lead should be taken by the ministry primarily concerned with local authorities.

14. Integrated planning is most important for a community as a whole. Where a need is disclosed for wider area coordination, a need is also indicated for regional activities

Evaluation

15. An essential extension of planning is of course the evaluation of progress in the implementation of approved projects, and all plans should include some timed stages for operations and their completion. This evaluation or inspection of progress is required by whoever is responsible for implementing a particular plan or section of a plan, in order also to anticipate hazards and to make required adjustments as speedily as possible. Thus, the smallest local
/ authority

authority must learn how its own plans are faring in execution, equally if the operations they are carrying out for higher authorities are progressing according to plan, and so on at higher levels, until the central planning authority itself must have knowledge of how the broad objectives of the national programme are being achieved.

16. Participation of local authorities in this activity is valuable. It is probably essential to the next higher co-ordinating level, and necessary to the central authorities to provide them with the information they need.

17. It has been said that a national association of local authorities would be a competent body to deal with some evaluation duties (IULA Study Part I, page 138 para 5).

This is not likely in Asia where situations and conditions can vary so much even in the same country. The proposal also ~~seems~~ to be a negation of the whole principle of a local authority performing services for central government where local knowledge and experience is so important. Moreover, an additional central agency (IULA) would be introduced to carry out a function which is directly associated with the implementing and planning agency concerned

Undoubtedly an association of local authorities is well suited to develop practices and techniques to aid its constituent members, and in some cases to carry out evaluation of
/ a common

a common national problem.

18. A series of research studies directed towards improvements in administrative effectiveness and reinforcement of local government operations has been successful. It is considered that this alone is insufficient, but would be a useful partner to normal evaluation action.

/K.N.

FOR PARTICIPANTS ONLY

CSLA/2/2
(Work Group Report)

1 NOVEMBER 1963

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UNITED NATIONS / EROPA SEMINAR ON
CENTRAL SERVICES TO LOCAL AUTHORITIES

REPORT OF WORK GROUP B

Agenda Item 12: Community Development. Relationship with central and local governments. Its influence as a stabilising agent and in creating and developing local government. Development of leadership for local government

Reference: IULA. Pages 123-138
DNLD. Paras 103-115
CSLA/4
CSLA/5 (leadership)
EROPA. CSLA/10
Pages 30-41

Agenda Item 13: Citizen and Popular participation

Reference: IULA. Page 31
DNLD. Paras 116-132:
141-147
EROPA. CSLA/10
Pages 54-59

Homi-Minochar Homji
Rapporteur

COMMUNITY DEVELOPMENT

1. Community development is a vital process for national development. In most developing countries of this region from 60% to 80% of the total population live in rural areas. Therefore national development demands the involvement of villages in the march towards progress. Villages possess valuable, untapped reservoirs of manpower and other resources. Village communities should, therefore, be encouraged to use these resources to meet local needs; this, in turn will contribute to national economic and social development. A greater receptivity to change is promoted when people themselves become directly involved in the processes of an orderly change, thereby accelerating the rate of social and economic growth. Community development enables people to become more self-reliant and responsible citizens, more desirous and capable of participating effectively in national progress.
2. Community development programmes involve a process of improving the conditions of local communities, with the efforts of the people themselves, assisted as necessary by governmental authorities in such a way that local development forms an integral part of national development. In countries of this region, faced with the need for rapid development, central governments must provide the main initiative, impetus, technical assistance and financial resources for the formulation and execution of Community development programmes. Continuing education, particularly through learning by doing, and guidance will be necessary over a period of time to develop local leadership, and

/ popular

popular institutions, and a willingness on the part of the people to contribute their own resources in planning, establishing and maintaining community facilities and services. These facilities are, of course, the pre-requisite for effective local government.

3. Recognising these factors, most countries of this region have initiated national community development programmes. With few exceptions, these can be classified as integrative type programmes, as defined by the United Nations.^{1/} In Indonesia the Community development programme gives shape and direction to the traditional spirit of Gotong Rajong or self help. At the Dessa (village) level it helps the village

^{1/} The United Nations study entitled Public Administration Aspects of Community Development Programmes classifies programmes broadly into three types for purposes of administrative analysis, as follows:

(a) Adaptive-type programmes: those that are nation-wide in scope but limited for for the most part to the catalytic function of stimulating the self-help effort of the people and to liaison with the technical services for support of such effort. They are termed adaptive-type programmes because they can be attached to almost any department and otherwise adapted to the prevailing organisation of government;

(b) Integrative-type programmes: those comprehending not only the general catalytic function at the community level but also the co-ordination of technical services at all levels and the nation-wide extension of these services in ways that will be coherent at the level at which they reach the people and will elicit their understanding and active participation. They are termed integrative-type programmes because of their special organisational features. Administrative responsibility for such a programme is best placed either in the office of the chief executive or of a "neutral" ministry, i.e., one that does not have responsibility for a major technical service.

(Contd. on next page)

/ headman's council

headman's council to coordinate work in the fields of cooperatives, education, public works and social welfare and in many cases if finances their projects. In the Philippines, community development has gone a long way to develop the rural areas both socially and economically. The community development worker now assists the Barrio (village) governments to plan and implement projects of a local nature. More recently there has been some thinking on bringing community development closer to the Barrio governments as a measure of streamlining. Japan does not have a community development programme in the traditional sense, but its KOMINKANS (Community Halls) serve the needs of its people for growth in social, economic and cultural spheres with direct assistance from the local governments. The community development programme of India under the leadership of the central government has since 1952 evolved through various phases in promoting the social and economic development of rural people, (mainly emphasising agricultural production). It was decided in 1959 to transfer powers more directly to the people, along with the transfer of appropriate financial resources and staff. This brought into being the Panchayati Raj with its three-tiered hierarchy of local government councils (village Panchayats, Panchayat Samities (Block level) and Zila Parishads (District level). The village level

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(c) Project-type programmes: those that are multi-functional but are confined to certain areas of a country. These programmes often develop, in the absence of a nation-wide general purpose programme, from the independent effort of a technical service to organise communities in a given area for the furtherance of its particular programmes. Experience has proved that these single-purpose programmes must, if they are to be effective, take on or attract related technical activities. Project-type programmes have also been organised to foster development of special ethnic groups or regions.

/ worker,

worker, Block Development Officer and District Planning Officer are now operating under their respective levels of Panchayati Raj (elective councils) continue to coordinate the technical services personnel at the block and district levels. In Nepal, the community development programme implemented mainly by the District Officers, also fosters the growth of voluntary organisations of women and youth which operate on a parallel hierarchy. The Local Government Programme and the community development programme as in the case of India are the responsibility of the same general ministry. In Pakistan, the Village Agricultural and Industrial Development Programme (V-AID) operated as a separate and distinct programme from 1952 upto 1961, when, with the inception of the Basic Democracies (Local Government), the responsibility for further community development work devolved squarely on the Basic Democracies. The community development personnel were absorbed inter alia by the Basic Democracy Council in the capacity of secretaries and development advisers at different levels of hierarchy. The council members were trained for their new responsibilities by the V-AID Administration. An Urban Community Development Programme continues to operate in close association with the Basic Democracy Councils. Vietnam has a community development programme tied-in with its programme of Civic Action. Inter-departmental committees down the administrative line, starting from the top echelon under the Chief Executive, the Provincial head, the District Commissioner and the Hamlet Chief, coordinate the programmes.

4. The common feature of all these programmes is to provide to the people at the lowest levels a democratic basis for making and implementing decisions; to inculcate the spirit of citizenship and a cohesive feeling within the community; to treat the community as an organic whole for the purpose of development. Community development programmes are generally implemented by ad hoc councils of elected local leaders and this often constitutes the first organised, development-minded and democratic institution at the lowest levels, having the approval and support of central government. Community development has thus served as an instrument for reshaping the community and its institutions to meet the new challenges of a society in process of modernisation. In order that it may continue to render such catalytic service to the community, it would seem that community development should continue to have a separate and independent administrative organisation. Experience has shown, that for a full measure of success particularly the integrative type of community development programme, the highest political support at national levels is necessary. In some cases, community development programmes have also provided the means for extending to local levels the operations of scarce central technical services. In such cases, the assistance of the community development village level workers, provided, trained and paid by the central government, have proved of particular value.

5. It is therefore, essential to recognise the vital nature of community development activities in the long term evolution and development of efficient local government. Even where local government

/ is operating,

is operating, community development can inspire and motivate better participation and more intensive development. Without such support, the dynamism which should be associated with local governments may be lost, and national as well as local development may be retarded as a consequence.

6. Some thought was accordingly devoted by the Seminar to the possibility of national long term pre-planning of a step by step development of local (rural and urban) communities, and the possible priorities for introducing community development and local government programmes. Majority of regional experiences favour the induction of community development programmes initially where local government is non-existent in order, inter alia, to create the climate, attitudes and abilities for self-development at the local levels. Special emphasis should be given in these circumstances to the creation of conditions conducive to the emergence and development of local leaders. Planning being the precursor of action, such community development plans should be sufficiently far-sighted to provide for the evolution of competent local authorities. They should always be working towards, and inspiring, the achievement of this goal. Community development programmes can thus help to identify leadership ability and to provide a training and proving ground for the development of local leadership that will be sensitive to the needs and demands of the community. It can provide a framework on which to build a successful local government structure, which, in turn, could then assume more direct responsibility for community development.

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7. It was agreed that the functioning of community development and local government should be closely integrated on the basis of careful study and pre-planning at the national levels with respect to community development bodies at the local level, there was agreement with the conclusions stated in paras 114/115 of DNLD, reproduced here below for facility of reference:

"General purpose committees [or other bodies] may be utilised successfully as instruments of community development at levels where statutory local bodies do not exist or as means of effecting basic changes in local government, but they are likely to fail if they exist alongside statutory bodies and there is no pre-conceived plan to relate them in a meaningful way to local government." 1/

"The Asian Seminar on Planning and Administration of National Community Development Programmes made the related point that where local government institutions exist only at a higher level, ad hoc bodies may be effective in the villages. "These ad hoc bodies should lay the foundation for local government which is considered essential for the successful operation of a community development programme." 2/

8. Community development and local government differ in character despite their inter-dependence. A local authority is a formal body and a statutory organisation. The power of imposition may be necessary to a local authority in the execution of some of its statutory obligation. Community development is primarily concerned with human development and is much less concerned with the formal administration of the community, although the improvement of local government should always be an

1/ Ibid., p. 52

2/ Report of the Asian Seminar on Planning and Administration of National Community Development Programmes, ECAFE, 5, September, 1961; p. 22

important aim. Consequently organised voluntary, participation, including self-help activity by the people are important features of community development. Moreover, community development programmes can generate social action and voluntary efforts by smaller groups with common interest. By so doing, a segment of the community may better itself by its own action. Wherever a state of readiness to act through local government with a view to achieving more widespread and equitable results, has not been reached.

9. The need for community development is likely to be greatest where local government is weakest. Yet progressive success of community development programmes may depend largely on, or at least be enhanced by the strength of local government - especially the latter's ability to maintain facilities established through community efforts. This creation and development of public facilities through community development, followed by local government taking over on a regular basis, adds in turn to the effectiveness of local government. Moreover the strengthening of local government provides the inspiration and support for further community development activities.

10. A possible danger to the progress which this partnership could achieve, may arise if community development bodies carry out functions which should be responsibility of local government of local government. Conversely, reliance upon the authorities powers of local government, where voluntary effort can best serve, may undermine the basis for community strength. Such dangers can be avoided if the common

/ interest of

interest of providing the most effective service for people is recognised, and the dual roles of strengthening local government and encouraging voluntary effort pursued in that light.

11. The use of the front line community development worker as an office-bearer (usually Secretary) in the Local Government body, at the stage when the community development and local government programmes may be integrated, also came under some discussion. One view is that the identity, initiative and independence of community development work may suffer if the front lineworker is brought directly under the control of the local government. His secretarial duties may involve him in such paper work at the cost of his developmental responsibilities. He may get involved in and be influenced by, local politics. The other point of view, is that even as a community development front line worker he is operating only as an educator and a motivator - an agent for change - under the general will of a popular council of village leaders and that his working under the more formal popular institution of local government should not therefore affect his basic developmental and coordinative role. Further-more, his continued inservice training under community development or local government sponsorship, should be able to keep before him a clear image of his work as a developmental agent. Finally the cost factor involved in a possible duplication of front line services for community development and local government is sufficiently important to affect the decision of governments in this matter. This argument is particularly applicable, where the front-line operative level for both community development or local government is / the same

the same i.e. the individual village, as in Nepal. In Pakistan the local government council at the lowest tier is a group of 8 to 10 villages whereas the unit for community work is the village. In such a case, the community development worker may be able to act as a development agent at the village level and as a local government official at higher level.

12. In this respect, fortunately most countries of the region, seem to have arrived at a happy understanding on integrating their community development programmes with local government. They do so in various ways. In Indonesia as mentioned earlier, community development plays a coordinating and financially supporting role to the village headman's council. In Philippines the community development worker helps the Barrio Government to implement Barrio's projects. In Nepal the village worker is available to the local government and even supervised by it. In India, the previous community development officers at the various levels now operate under the supervision of appropriate Panchayat councils and act as their Secretaries. In Pakistan, the function of development has been completely entrusted to the Basic Democracies and Community Development workers have been absorbed as secretaries and development advisers at various levels. In Vietnam the Civic Action Worker operates under the elected hamlet chief and his council.

13. Following the principle that the community development programme should preferably be a part of long-term national development programme, local community development projects should be planned and activities should inspire and permeate the entire administrative structure of the

/ government

government including the technical services. The latter should develop facilities and services which can become established on a regular basis and progressively maintained by the local authority. This final result can be achieved only if there has been adequate coordination in planning and implementation on a national and basis from its conception to its progressive implementation.

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K.S.M.

FOR PARTICIPANTS ONLY

CSLA/2/8
(WORK GROUP REPORT)

1 NOVEMBER 1963

ORIGINAL: ENGLISH

UNITED NATIONS / EROPA SEMINAR ON
CENTRAL SERVICES TO LOCAL AUTHORITIES

REPORT OF WORK GROUP B

Agenda Item 14 : Special Purpose Bodies

Reference : DNLD. Paras 133-140.

A. IQBAL
Rapporteur.

SPECIAL PURPOSE STATUTORY BODIES

1. This item deals mainly with special purpose statutory bodies performing public functions at regional and local levels. Consideration thus far has been directed to multi-purpose local authorities. Attention, however, must also be paid to the special purpose statutory bodies at regional and local levels and the local representative body which exercises functions devolved by a national agency.

2. The special purpose statutory body (not a committee of a multi-purpose local authority) has a separate legal status and identity. It is usually constituted to solve a special problem affecting either a segment of a local authority area or two or more local authority areas. The natural development of such schemes should be their absorption eventually by a multi-purpose local authority if the functions take on a general public character. In Pakistan, an example of such special purpose statutory bodies would be the Improvement Trusts set up in cities and big towns where the problem of urban development on sound planning and financial basis is required. In India there are City Improvement Trusts constituted for the same purpose on the same lines. In Japan there are special purpose bodies for urban regional planning and hospitals in certain areas. In

/Indonesia

Indonesia, the policy is generally in opposition to the creation of special purpose bodies but, when necessary, they are created. A special purpose body for Sumatra has been created to construct the Trans-Sumatra Highway of over 2,000 kilometers. Nepal has a City Development Committee for cities on the same lines as the Improvement Trusts in India and Pakistan. In Viet-Nam, there is an association of farmers at the village level which is recognised by the Ministry of Rural Affairs and Interior Affairs. It is a statutory body whose function is to help the farmer to increase his agricultural productivity through the use of fertilizers, buying scientific implements and selling products without the agency of the middleman.

3. Special purpose statutory bodies provide additional scope for initiative to people to solve their own problems through cooperative effort and substantial reliance upon their own initiative and resources.

4. There is another type of special purpose body which exercises functions devolved by a national agency: for example, electricity boards. In India and in Pakistan separate authorities have been set up known as the Rajasthan Canal Board and the Thal Development Authority, respectively, at the regional level to reclaim deserts for purposes of cultivation and settlement. There are also examples of certain services previously on a private

/enterprise

enterprise basis being nationalised and operated on a regional basis without full public participation and even control.

5. Special purpose bodies often satisfy important needs and may be an answer for a time to the inadequacy of multi-purpose local authorities. But excessive reliance upon them can produce a chaotic situation. It is generally considered necessary to set up a special purpose statutory body when:

- (a) the local authority or any cooperative effort by several local authorities cannot provide the necessary technical ability for administration;
- (b) a programme demands capital funds and an intensity of effort that are unlikely to be forthcoming from the local authority;
- (c) the desired service has special areas requirements for administration differing substantially from local authority areas;
- (d) public interest demands a form of representation for the service differing from a local authority council - for example service to a small segment only of the community.

It is felt that a special purpose statutory body should normally be set up only on a temporary basis to solve a particular problem and should in due course be absorbed in the multi-purpose local authority. But this, of course, depends on the

/circumstances.

circumstances prevailing in the particular area, the type of problem being tackled and other factors.

6. A nationwide special purpose body can be organised in a variety of ways. Its governing board must possess administrative and technical competence. This may come from the central government or by appointment from the general public or from special interests. Citizen participation and control at the local level may be provided for by appointment centrally, through elections, or by representation from local authority councils in the area. A national special purpose body may operate through area subordinate bodies possessing a somewhat similar pattern of organisation to the central body and providing for local citizen and special interest participation.

7. The reasons for creating special purpose statutory bodies at the local level may make it inadvisable to vest control over it in the multi-purpose local authority in its area. In such cases, the controlling authority for the special purpose body should be the same as that for the multi-purpose local authority. This would enable the controlling authority to solve problems of mutual interest at its own level and also to act as a coordinating agency between the two authorities.

8. Special purpose statutory bodies can become too numerous and thereby create fragmentation in administration and also may

/give

give too much control and power to special interest groups.

Such bodies should be subject to control and regular review by the Ministry or department of local government and other Government agencies concerned.

9. The initiative for creating the special purpose statutory bodies should be:

- a) with the ministry or department of local government and other central agencies concerned when they deem necessary;
- b) with the multi-purpose local authority or authorities concerned by petition to the responsible central agency when they consider a special purpose body necessary to handle a particular problem.

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FOR PARTICIPANTS ONLY

CSLA/2/9
(WORK GROUP REPORT)

3 NOVEMBER 1963

ORIGINAL: ENGLISH

UNITED NATIONS/EROPA SEMINAR ON
CENTRAL SERVICES TO LOCAL AUTHORITIES

REPORT OF WORK GROUP A

Agenda Item No. 15: Personnel services for local
authorities training for local
authority personnel and
councillors.

Reference : IULA. Pages 88-109
DNLD. Paras 148-184:
247-257
EROPA CSLA/10:
Pages 9-11

D. Rajendra
Rapporteur.

Personnel services for local authorities
training for local authority personnel
and councillors.

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1. Competent staff are essential to any organisation. Local authorities are no exception. The essential conditions for the recruitment of competent personnel for local government services, and for their continued and efficient service may be summarised as follows:

(1) There must be an adequate career structure which will be sufficient to attract and retain in service the right kind of men and women.

(2) There should be a system for promotions which will permit those who demonstrate the necessary ability, energy and devotion to duty to progress from bottom to top, through merit tempered by seniority, and the system should satisfy the employer and enjoy the confidence of the staff.

(3) There must be reasonable security of tenure subject to good service and conduct, and a system accepted by the staff/and just for dealing with disciplinary cases.

(4) In a service having a wide geographical coverage, there should be an obligation upon all personnel to serve where the needs of the service demand. Where service in different parts of a country under widely varying conditions is involved, it will sometimes be desirable to introduce some scheme of financial or other inducement for service

/ in hardship areas

in hardship areas as a balancing factor. Only when such conditions are established will it be possible to secure a reasonably free movement of staff to meet service requirements. It is recognised, however, that there will be circumstances in which a completely free movement of staff will not be possible.

(5) Pay scales should reflect the principle of equal pay for equal work. Generally speaking, given a reasonable career and pay structure and reasonable security, in due course the urge for special allowances for working in hardship places is likely to disappear.

2. The conditions of recruitment and service of central government employees in most countries largely meet these requirements, but those of local government employees are often less favourable although in a few countries they are the same. A differential treatment of local government servants is an admission that men of lesser ability will suffice for local government service and this is wrong. The need to develop or strengthen local authorities demands men of no lesser ability than those serving in well established and static roles.

3. The point has been well made several times during this seminar that devolution of responsibilities and authority from the centre is essential not only for development but for good government itself, and that delegation to local administrative units may be the first step to the build up of an effective local authority to which delegated responsibilities will be transferred. Staff will have to be provided for the local authorities and there will be staff rendered surplus in the local administrative units.

/ It will

It will often be desirable that central government personnel in a local administration unit should transfer to the local authority which has evolved. Obviously the process will be facilitated if there are comparable conditions of service for the two classes of officials and no difference in status, and also, a most desirable feature, interchangeability.

4. It should, therefore, be rewarding to study the question as to what should be the personnel system for local government staff in the light of the conditions and the stages of development of different countries of Asia. As no one system will suffice for all countries, the various possible systems should be studied. It is also necessary to look beyond immediate conditions to the needs of the future when considering the suitability of alternative systems.

5. There could be a single unified service for the central and local government. A second alternative is an unified local government service covering the entire country. The third system is for each local authority to have separate staffing system under its own control. There are several variations and combinations of these systems.

6. Separate staff systems for different local authorities would have the advantage of making local authorities masters in their own home; but on the other hand it would be difficult for local authorities to attract the most competent people unless additional measures were taken to ensure a reasonable staff structure and promotion prospects for officials serving with the smaller local authorities. Transferability of

/ officers would

officers would have to be permissible from one authority to another without loss of rank, seniority, and pension rights and on promotion. If this could be established through cooperation among local authorities, a separate staff system for each local authority would have all the advantages of the single unified local government service without actually establishing one formally. But it is doubtful if this could be achieved without some controlling influence.

7. The course most favoured and now recommended would be on the following general lines:-

(1) establish a central local government service commission which would have statutory powers to regulate the conditions for recruitment and service of all local government officers, to determine after consultation with the appropriate technical and other authorities the classification and grades for filling posts, and to ensure a reasonable career structure viewing local government service as a whole;

The local government service commission should be given additional responsibilities as best suited to a country's requirements and it could be an integral part of a national public service commission. However, unless all local government and central government officials were members of one unified national service as is the case in a few countries, it would be better for the local government service commission to be a separate unit from a central government public service commission.

(2) The local government service commission should have powers to delegate responsibility for recruitment and other matters which they might determine to local authorities.

/ (3) Except for

(3). Except for certain posts of executive status all local authorities would be empowered to make appointments under powers delegated by the service commission. For certain posts, appointments and promotions thereto local authorities should obtain sanctions from a short list of candidates before selection. This sanction should be given by the ministry or central agency in the case of technical personnel and the ministry or central agency concerned with local government for other personnel. But the local authority would be the appointing authority.

(4) From the time of appointment or transfer to a local authority, an officer would be a member of the local government staff service. His total service with any local authority or government service would count for status, rank, seniority, pay, etc.

(5) A central pensions scheme or provident fund scheme should be established for all local government officers. Several variations of this, there are of course possible.

8. Local government services of all classes and grades should become a properly established and recognised profession. The scheme just outlined would help in achieving this end. So would the creation of professional associations or institutions catering for professional and administrative members of local government service, either collectively or by functional groups. For example, an association of local authority treasurers and finance officers; local authority engineering services; local authority administrative and allied classes, etc. Such associations or institutes should not be of the nature of trade unions although looking

/ after

after members' interests. Essentially their purpose would be to establish status, competence and professional progress. .

9. Welfare and cultural services for local government staffs wherever such are possible should not be omitted and obviously these should be a function of management assisted by staff association where established.

10. Sound principles of public administration and administrative practices are vital in developing local authorities and should be inculcated in all concerned. This is a valuable personnel/service which could be provided by central governments, including temporary loans of staff.

11. Training as always is a dominant factor wherever staff performance is concerned. Public administration training institutions should be open to local government servants, for much of the work performed by civil servants and local government staff is

of a common nature, differing only in application. Activities common to local government and not so common elsewhere should be included in public administration training courses, and in due course local government institutes should be developed with a substantial public administration content.

12. But in developing countries there is a danger of "flying too high". Training facilities should not be too widely dispersed. Training should be thorough and be directed particularly to the tasks likely to be required of them. Mobile training units whereby short intensive group training exercises are carried out have been used in a few countries and are worth trying.

/ 13. Probably

13. Probably in no other field will in-service training within the actual working units prove more beneficial than in local government. Central governments might well design and help such training courses.

14. Sometimes training programmes fail to plan the contents of the courses adequately, and where provision has been made for departmental in-service training, it has not always been carried out in practice. The development of a comprehensive training plan and its regular evaluation should be made the responsibility of the head or heads of services according to personnel system operating (see para 5). Design and control may have to commence in a small way considerably centralised and developed progressively.

15. Special consideration is necessary in the matter of central government officers on loan to local authorities, for example whilst local officers are being trained to take their place. It is ^{sometimes} the ^{trmsind} practice for such central officers, who of course on the cadres of their central service, to act wholly as the representatives of the central service concerned. Countries should consider whether at the time such an officer takes up duties in the local authority he should be treated entirely as an officer of that local authority, subject only to such technical guidance and direction as would always be required (e.g. matters of public health). Moreover, at the time of taking up duties there should be a condition that the officer providing this service would be eligible for consideration for appointment to the local authority post if he and the local authority so wished. The object of this suggestion is to obviate any impression of dual communication and orders, and from
/ the beginning

the beginning to establish a feeling of identity between the local authority and their staffs and the central government officers.

16. Whilst general suggestions have been made in the foregoing, it is recommended that United Nations should conduct a study by a small working group familiar with Asian conditions to study particularly the detailed requirements of a comprehensive personnel administration service for local authorities with interchangeability with central government officials. It would be valuable if a code could result from this study which would be capable of application in countries with, of course, national variations as may be necessary.

17. Finally, councillors, Training is surely needed and deserves consideration. The opinion exists, with some justice, that lower echelons of local government provide excellent experience for subsequent services at higher levels. In a few countries formal training courses were arranged for elected members of lower levels of local authorities. The courses proved popular and improved performance noticeably.

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FOR PARTICIPANTS ONLY
CSLA/2/11
(Work Group Report)
1 NOVEMBER 1963
ORIGINAL: ENGLISH

UNITED NATIONS/EROPA SEMINAR ON
CENTRAL SERVICES TO LOCAL AUTHORITIES

Report of Work Group A

Agenda Item:

16. Professional and Staff Associations for Local Authorities Personnel

DNLD Paras 274-280

17. Central Assistance in the field of purchasing

IULA Pages 133-136
EROPA CSLA/10 Pages 12-13

18. Central Assistance in improving administration generally, especially in coordination, organisation and methods employed, including technical services

IULA Page 137 Para 3
EROPA CSLA/10 Pages 7-9

D. RAJENDRA
Rapporteur

Professional Institutions

1. Professional institutions are established in most countries of the region but with some exceptions they are relatively weak. Organization is usually on a national basis for members of particular professions who possess prescribed qualifications irrespective of employment. Usually only a few professions are so organized. Cost is the common factor limiting their operations.
2. Professional institutions can be organized not only on a purely professional basis as usually understood, for example, medical, mechanical engineering, etc., but also on an occupational basis where specific and high standards of qualifications and ability are required special to local government occupations, for example, local government accountants, public health officials, etc., or for groups of such officials. Circumstances vary so much in the different countries that the method chosen should be evolved to meet national circumstances and conditions. But there should be a definite policy for this to happen and it is desirable that the special requirements of local government be recognized.
3. Such an institution when well organized can have a profound influence on the status of its members, and can organize further professional training facilities, research
/activities

activities, and become a centre for the collection and dissemination of appropriate publications and documentation covering wide fields. They can influence materially the academic studies required for qualifications through the experience they acquire and the studies which they can make of the operations of their members. They can provide personal services to both members and local authorities by publishing vacancies to be filled and being a means to facilitate mutual transfers.

4. It is quite possible for a professional institution also to carry out some of the roles of a staff association, and indeed seeking to advance the professional status of its members partakes somewhat of this nature. But generally speaking, and particularly in this region, it is better to keep the roles separate, at least for the time being.

Staff Associations

5. These are less common in the countries of the region than professional institutes, although it is quite common for industrial trade unions to admit as members the labour type of worker employed in central and local government.

A staff association can cater for all members of local government staffs, or a professional specialization therein, or for particular levels of staff, or for members of central and local government staff, and in one form or another each system

/is to be

is to be found in the region. The main purpose of an association of this kind is to establish a cooperative basis for negotiations with senior to top level officials and government agencies and public or local government service commissions on matters concerning the conditions of employment of the grades represented and to secure the best possible working conditions. But another important function is joint discussion with employers to improve work methods and outputs and to solve problems affecting both sides generally. As an association grows in strength, it is not unusual to find it so organized as to be able to initiate moves for improvement of work methods and conditions based upon its studies.

6. Where staff associations do not exist, the timing of their birth and the political climate at such time are important. The potential membership should be sufficient to make an association viable, and there should be a willingness in the appropriate official quarters to accept, or at least try out, this new development. There is little doubt that much good can result from this kind of collaboration and cooperative effort, but early failure could set back a desirable scheme several years.

7. Direct government financial support would be undesirable for the maintenance of a staff association, but it would be a worthwhile investment for government to assist in its

/establishment

establishment and to provide facilities for operation by permitting a limited number of association officials to have time off ordinary duties for association affairs. A preliminary step to establishing an association would be to introduce a scheme for staff consultation whereby government agencies could seek the views of the staff in connection with matters involving the staff, including those concerning better methods of work.

Institutions and Staff Associations

8. Generally speaking, the need is recognized for both professional institutions and staff associations and cost is a limiting factor to their founding and operations. But they are definite assets to a country and it should be government policy to encourage them. They can be of great help in improving administrative efficiency.

9. Both institutions and associations have important parts to play in improving the competence of members by helping in training and further education. Generally speaking, the professional institute would concern itself mainly with improving professional knowledge and competence by various methods, conferences and the dissemination of documents and ideas; whilst a staff association would be mainly concerned with training measures and facilities provided within or for organizations, and related particularly to specific subjects or departmental functions.

/10. In some

10. In some countries professional institutes and staff associations are required to be registered and recognized before being permitted to operate. These are, however, matters of detail that do not affect main issues.

11. The subject of professional institutes and staff associations is associated completely with local government personnel matters and warrants deeper consideration than can be given here.

It is recommended that it be included in the study which is suggested should be held into the whole question of personnel policy and affairs generally.

/AGENDA ITEM 17.

Central Assistance in the Field of Purchasing

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1. Many countries have established central purchasing services which sometimes have been made available to local authorities. There are of course stronger reasons why central government agencies should be required to utilize central services for purchases than is the case with local authorities. But it is by no means certain that a central purchasing service is always best where good distribution means already exist through the private sector.

2. Where a central, purchasing agency has been established, it is only reasonable that its services should be utilised whenever a better service results than could otherwise be obtained through local suppliers. Prima facie, whilst many reasons are advanced why articles can be procured more cheaply and efficiently by a central purchasing agency, this remains to be proved in the light of circumstances in the different countries and places where the goods are required.

3. There can be little doubt that quick moving suppliers such as stationery can be provided efficiently and probably more cheaply through a central source, provided the quantities required and the distance from the central point of distribution is not too far. Central supply of items of equipment in fairly general use can also be advantageous in the interests of standardization which in turn facilitates maintenance. But otherwise it would be better to leave local authorities to choose, whether central services are used or not, provided occasional evaluations

/ of relative

of relative costs are made by them. Where the needs of a local authority are considerable there seems to be no reason why a central purchasing agency should not have to submit a competitive tender together with other possible suppliers.

4. Goods subject to supply licenses, whether imported or not, or where a black market exists, or which possess high scarcity values, normally should be ordered through central government sources. But special care will be needed to ensure that the quota approved for public use is not exceeded, and that the private sector is not denuded of its prescribed quota through unauthorised diversion.

5. A particularly effective service which can be organised by a central supply service is to make open contracts with private suppliers for which local authorities can demand directly and account directly. This saves considerable delay and distribution costs, and reduces central inventories.

6. Another service is that of testing ranges of commodities and goods and circulating specifications and comparative values. Often delivery price is only one factor in cost determination and it may be better to pay a higher price initially for a better article; a central service with laboratory and other testing services can help considerably in such cases.

7. Generally speaking, if highly specialised items are to be obtained through a central service, they should be obtained through the particular technical agency concerned; for example, medical stores,

/ some

some specialised electrical equipment, etc.

8. Whether supplies are purchased locally or through central services, there should be some inspection on receipt, if possible, where the quantities are considerable; at least for quantity and general condition. Specifications should also be sample checked wherever possible. Central Government agencies and their local representatives, if any, could be of assistance in this field.

9. There can be no general conclusion in this matter. The decision must depend upon the circumstances in the different countries. But if a local authority is large enough and has the necessary skilled personnel, the onus of deciding the best course should be left to the authority with the usual safeguards against unfair trading and privilege. At the other end of the scale it is doubtful whether it is worth while to make small local authorities use a central purchases organisation except for some classes of goods required for technical services. Cost should be an important factor. In order to disclose this already, the fairly common practice of a central purchases organisation adding a percentage to the cost of goods for its own overhead distribution costs should be adopted generally.

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/ksm

AGENDA ITEM 18

CENTRAL ASSISTANCE IN IMPROVING ADMINISTRATION
GENERALLY

..

1. The various measures discussed earlier concerning relations between central government agencies concerned with local authorities, will have beneficial impacts upon administration generally. So will the more active participation in planning, and the creation of professional institutions and staff associations.

An association of local authorities which will be discussed at a later session will also be of material assistance.

2. There are, however, other measures which can be taken to improve local authority effectiveness, and which in developing countries will certainly be useful even in some of the larger cities.

It is hardly likely that the competence of the central services can be exceeded by the local authority assisted unless some special feature is introduced.

3. Such a special feature is always possible in the executive head of the local authority concerned.

It has been discussed how, in many countries, the first step in development of local authorities will be decentralising functions to them, followed by devolution. As the local authority grows in competence, so can control by central government agencies and by their provincial staffs be reduced and finally disappear.

/ During

During this vital stage the selection of the person to be the executive head should be made primarily on management ability, and a plan should be made to train such men accordingly in the special management skills they will have to exercise. Increased status and pay to what might otherwise be considered normal would not be out of place.

4. Usually local authorities will not be large enough to maintain their own organisation and methods (O & M) units, and in any case this may not be advisable, as the field of operations in many local authorities will be too restricted.

But O & M units should be organised and trained and be made available to local authorities on a group or area basis or operate from the central government ministry or agency for local government. The headquarters of these O & M units should also include experts in office and accounting machines (and not the most highly sophisticated ones), design of forms, filing, registration and handling of papers.

It should be remembered that it is far easier to start a system right, than to rectify it later.

5. Training has been discussed elsewhere but it is so important as to warrant mentioning again. The central government agency concerned with local government should have a small unit capable of organising and coordinating all forms of training directed particularly to accelerating the growth of efficiency in local authorities.

/ 6. Local

6. Local authorities generally are unlikely to have any facilities for research into matters having a value for them; for example, comparative studies of costs for collecting different taxes; costs of different pay roll systems (which vary widely); studies of likely incidence of evasion as between taxes; assessment of values of different incentive schemes; and so on. Such a service should be provided by the centre, and a most suitable unit to accommodate this service would be O & M as described in para 4.

7. A further central service that might be of value would be to assume payment on behalf of local authorities, either centrally or through area offices, for their pensioners on repayment by local authorities of sums disbursed.

8. Much expert assistance will be necessary in securing proper working relations with public utilities organisations operating in a local authorities area or covering several such areas. Some of these will be special purpose bodies and this subject is to be discussed later.

9. The field of improving administrative competence is one particularly suitable for technical assistance, especially where countries are already experienced in improving their central administration.

/ksm

FOR PARTICIPANTS ONLY

CSLA/2/12
(WORK GROUP REPORT)

2 NOVEMBER 1963

ORIGINAL: ENGLISH

UNITED NATIONS/EROPA SEMINAR ON
CENTRAL SERVICES TO LOCAL AUTHORITIES

REPORT OF WORK GROUP B

Agenda Item 20 : Associations of Local Authorities
and other Non-governmental or
quasi-governmental agencies capable
of assisting Local Authorities.

Reference : IULA. Pages 153-171: 172-176
DNLD. Paras 271-273
CSLA/1. Para 27
CSLA/7

H.J.D. REVERS
EMIL J. SADY
Rapporteurs

Associations of Local Authorities and other
Non-governmental or quasi-governmental agencies
capable of assisting Local Authorities.

...

1. The Seminar has focussed its attention mainly on central or state government agencies that can improve the effectiveness of local government. However, in several countries of the region associations of local authorities and other non-governmental or quasi-governmental training and research institutes have also contributed significantly, toward improvement of local government.^{1/} In a number of countries elsewhere they are the principal source of technical assistance and service to local authorities.

2. Associations of local authorities and autonomous research and training institutes associated with them can perform some services to local authorities which a central government ministry or department either cannot perform or cannot perform as well. These include representation of the interests of local authorities when national legislation or other measures are under consideration; research on

^{1/} The following associations of local authorities local government research and training institutes and professional organisation of local government and employees affiliated with the International Union of Local Authorities are illustrative

Ceylon: Association of Urban
Councils

India: Indian Institute of Public Admini-
stration, All-India Institute of
Local Self-Government, Federation
of All-India Local Authorities
All-India Local Bodies Officers
Association

Contd. on next page

/local

local government fiscal and other matters, including central-local relationships, from the standpoint of the local authorities themselves; exchange of information and stimulation of other forms of cooperation amongst local authorities; preparation of by-laws and provision of legal advice - especially on matters involving controversy with central government agencies; facilitation of the flow of information and cooperative relations between central government agencies and local authorities; and fostering decentralisation through increasing reliance upon local authorities.

3. As experience in several countries demonstrates these associations and institutes can also provide some of the services that have previously been listed as appropriate functions of the ministry or department of local government. These include assistance in purchasing supplies, printing, budgeting and accounting, training of staff, personnel service, special studies, and organisation and methods.

4. Accordingly, governments should foster the establishment and strengthening of associations of local authorities and training and research institutions even to the extent of helping them financially.

Contd. from pre-page.

Iran: Iran Municipal Association

Japan: Associations of Local
Authorities (6)
Japan Local self-government
Institute, Tokyo Institute
of Municipal Research

Philippines: Barrio Lieutenants
Association

Thailand: National Municipal League

/ Although

Although it is better for associations of local authorities to be free of financial dependence on the central government, this may be unavoidable for a time until they get established on a firm footing with continuing support from their members in the form of dues and service charges. Moreover, it is proper for an association of local authorities to receive payment from the central government for services which the associations render to local authorities on behalf of the central government -- i.e. in fulfillment of latter's responsibility.

5. The central government should avoid duplicating the services available to local authorities from other sources. But the nominal provision of services by non-governmental bodies does not absolve the central government of its own responsibility for ensuring the provision adequate services to local authorities. Moreover, there are many functions, involving both assistance and supervision such as support of technical service and audit of the use of grants-in-aid, that central government must itself carry out in order to discharge its responsibility.

6. Governments should not as a rule be represented in the governing bodies of associations of local authorities. Where they assist associations financially, they should be able to satisfy themselves that the funds given are used for the purpose intended and to ensure that remedial action is taken if there has been misuse of funds. They can do the latter by representations to the executive council

/ of the

of the association, by withholding of further assistance, and by other means and its disposal -- without having representation in the governing body of the association.

7. The question of whether a ministry of local government should itself promote a service to local authorities or contact with an association of local authorities or related institutions for the purpose must be assessed by the ministry on the basis of which method will enable it best to fulfil its responsibilities.

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/ksm

CSLA/01

17 September 1963

ORIGINAL : ENGLISH

ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

In conjunction with the Eastern Regional Organization for Public Administration, and the Division for Public Administration, Department of Economic and Social Affairs of the United Nations

Seminar on Central Services to Local Authorities
21 October - 6 November 1963
New Delhi, India

NOTES FOR THE INFORMATION OF PARTICIPANTS

Seminar Arrangements

1. The Seminar is being held in New Delhi, the Government of India acting as host through the agency of the Indian Institute of Public Administration.

The venue of the Seminar is the Conference Hall of the Indian Institute of Public Administration, Indraprastha Estate, Ring Road East, New Delhi 1. (Telephone No. 273901 - 273965. Telegraphic address, ADMNIST New Delhi).

2. Registration of participants will take place 9 a.m. at the Conference Hall of the Institute on 21 October 1963.

Normal working hours of the Seminar will be -

9.30 a.m. - 12.30 p.m. and

2.30 p.m. - 5.30 p.m.

Entry Requirements

3. Each participant must possess a valid passport and an entry visa to India for one month obtainable without charge at an Indian Consular Office in the participant's country. Special arrangements have been made and communicated to the few participants concerned where, exceptionally, the Government of India does not maintain such an office in a participant's home country.

4. Participants are advised to ensure they have valid certificates of

/vaccination

vaccination against cholera and smallpox before leaving their home countries. Whilst these certificates are not insisted upon for entry into India, they may be necessary for re-entry or entry into other countries.

Vaccination against yellow fever is only necessary in the unlikely event that a participant travels via a yellow fever area, such as some countries of Africa.

5. A Form D under the "Registration of Foreigners Rules" is also required to be completed before disembarkation.

Currency

6. There is no limit to the amount of currency which can be brought into India in the form of travellers' cheques or foreign currency, but it must be declared on the appropriate declaration form distributed on the aircraft. Indian currency must not be brought into India and must not be taken out. Any Indian currency remaining can be re-converted into foreign exchange on departure.

Rates of Exchange	£1	=	Rupees	$13\frac{1}{2}$
	US\$1	=	"	4.762

Arrangements in New Delhi

7. The Government of India are kindly permitting participants to stay at the New India International Centre, 40 Lodhi Estate, New Delhi 3, where complete board and lodging arrangements will be made. The charges to participants for board and lodging will be Rs. 47/- a day for a single room, and Rs. 85/- for a double room. A service charge of 12½% is added to bills.

If any participant wished other arrangements to be made, or has made other arrangements, or will be accompanied by a family member, Professor V.K.N. Menon (see para 14) should be advised quickly.

8. It is hoped to meet all participants at the New Delhi Airport on arrival and to take them to the India International Centre. Participants are accordingly requested to cable Professor V.K.N. Menon expected time of arrival, airline and flight number.

9. Arrangements have been made to transport participants to and from the India International Centre for seminar meetings and official functions.

10. On the first day of the Seminar an advance of the per diem allowance will be paid by the United Nations, covering from arrival not earlier than 20 October to date of departure not later than 7 November 1963. The rates will be equivalent of US\$ 15 for nights spent in New Delhi and Bombay (study tour), and lower if a night is to be spent in, for example, Jaipur.

Travel

11. The United Nations (ECAFE) is making arrangements to provide each participant with round-trip air tickets from home country to New Delhi, economy class.

If, exceptionally, a participant necessarily incurs excess baggage charges, the United Nations will re-imburse such expenses up to the cost of 10 kilos, provided a claim is made on the approved form supported by a receipted payment voucher. Claim forms will be available at the Seminar and can be completed and submitted after return home.

Miscellaneous

12. Participants should bring with them the two publications already given to them, namely -

"Decentralization for National and Local Development", and
"Central Services to Local Authorities"

13. It is important that the country paper concerning a participant's own country, which was requested in the formal invitations to governments to nominate participants should be supplied to Professor Menon with a copy to the UNTAB Resident Representative. Indeed, it is hoped that the paper may already have been sent as it was requested by 21 September. But if not, please send it soon. These papers, when summarized, will provide valuable factual information.

/14. Any

14. Any communications concerning the Seminar itself or the administrative and domestic arrangements in New Delhi should be addressed to:

Professor V.K.N. Menon,
Director, Indian Institute of Public Administration,
Indraprastha Estate,
Ring Road East,
New Delhi - 1, India.

Any communications concerning travel to and from home country to New Delhi should be sent to:

Deputy Chief, Division of Administration,
ECAFE,
Sala Santitham,
Bangkok, Thailand. (Cable address: ECAFE Bangkok)

15. Correspondence to participants should be addressed to them c/o the Indian Institute of Public Administration (see para 1).

16. The weather during the period of the Seminar is likely to be pleasant; warm during the day and cool at night. Rain is unlikely at this time to the year.

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1 NOVEMBER 1963

ORIGINAL: ENGLISH

ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

In conjunction with the Eastern Regional Organisation for Public Administration, and the Division for Public Administration, Department of Economic and Social Affairs of the United Nations

Seminar on Central Services to Local Authorities
21 October - 6 November 1963
New Delhi, India

LIST OF PARTICIPANTS

MEMBERS

AFGHANISTAN

Dr. Mir Aminoddin Ansari, President, Department of Administrative Affairs, Ministry of Interior, Kabul

CEYLON

Mr. D. Rajendra, Acting Commissioner Local Government and Chairman, Local Government Service Commission, Colombo

CHINA, REPUBLIC OF

Mr. Liu, Shen-Chao, Chief of Section, Department of Civil Affairs, Ministry of Interior, Taipei, Taiwan

INDIA

Mr. Gian Prakash, Joint Secretary, Ministry of Health, New Delhi
Mr. S. Chakravarti, Additional Secretary, Ministry of Community Development and Cooperation, New Delhi
Dr. A.U. Shaikh, Secretary, Urban Development and Public Health Department, Government of Maharashtra, Bombay
Mr. M.B. Salvi, Municipal Commissioner, Poona Municipal Corporation
Mr. K.K. Sharma, Commissioner, Municipal Corporation of Kanpur, Kanpur
Mr. S.P. Singh Bhandari, Secretary, Local Self-Government Department, Government of Rajasthan, Jaipur

/ INDONESIA

INDONESIA

Mr. J. Wajong, Chief, Department of Local Government, Djakarta
Mr. P. Rahardjo, Head, Regional Economic Development Division,
Djakarta

IRAN

Mr. Amir Nasser Ameri, Director General, Department of Local
Affairs & Community Development, Ministry of Interior, Iran

JAPAN

Mr. Hiroshi Yoshise, Vice President, Local Autonomy College,
Tokyo

Mr. Naoyoshi Maekawa, Local Autonomy College, Tokyo (from
27 Oct.)

Mr. Shigeru Sugiura, Administrative Management Agency, Tokyo
(from 3 Nov.)

KOREA, REPUBLIC OF

Mr. Yim, Chul-Soon, Planning Coordinator, Provincial Govern-
ment, Chungchong, Namdo Province, Taejon

MALAYSIA, FEDERATION OF

Tunku Syed Abdullah, Commissioner of Local Government,
Kualalumpur

NEPAL

Mr. Surendra Raj Sharma, Director, Department of Panchayat,
Singh Durbar, Kathmandu (from 20 - 30 Oct.)

Mr. Govardhan Bikram Shah, Second Secretary, Royal Nepalese
Embassy, New Delhi

PAKISTAN

Mr. Aslam Iqbal, Deputy Secretary, Basic Democracies
Department, Lahore

/ PHILIPPINES

PHILIPPINES

Mr. L.C. Mendoza, Presidential Staff Assistant, Local Government and Civil Affairs, Office of the President, Manila

THAILAND

Mr. Kanoksak Wannakanok, Deputy Governor, Provincial Office, Nakorn Nayak, Department of Local Administration, Bangkok

VIET NAM, REPUBLIC OF

Dr. Vu Quoc Theng, Director, National Institute of Administration, 10 Tran Quoc Toan, Saigon

Professor Le Van An, National Institute of Administration, Saigon

SPECIALIZED AGENCIES OF THE UNITED NATIONS

Food and Agriculture
Organisation (FAO)

Mr. E. Saouma, Deputy Regional Representative for Asia and the Far East,
225 Jor Bagh, New Delhi 3

World Health Organisation
(WHO)

Dr. D.H.S. Griffith, Regional Adviser,
Community Health, Services, WHO Regional Office, Indraprastha Estate,
New Delhi 1

United Nations Educational Scientific and
Cultural Organisation
(UNESCO)

Professor P. Bessaignet, Director,
UNESCO Research Centre for Social
and Economic Development in South
East Asia, New Delhi

INDIAN INSTITUTE OF PUBLIC ADMINISTRATION

Dr. R.D. Singh
Dr. Howard K. Hyde

EASTERN REGIONAL ORGANISATION FOR PUBLIC ADMINISTRATION (EROPA)

Dean Carlos P. Ramos, Secretary-General, EROPA, Rizal Hall,
Padre Faura Street, Manila, Philippines

NON-GOVERNMENTAL ORGANISATIONS

International Union of
Local Authorities (IULA)

Dr. H.J.D. Revers, Secretary-General,
IULA, 5 Paleisstraat, The Hague,
Netherlands

/ DIRECTING

DIRECTING, EXPERT, AND ADMINISTRATION STAFF

Professor V.K.N. Menon	Director, Indian Institute of Public Administration and EROPA Training Centre: Seminar Director
Mr. S.T. Divers	United Nations Regional Consultant Public Administration, ECAFE, Bangkok
Mr. Emil J. Sady	Chief, Local Government Section, Division for Public Administration, Department of Economic and Social Affairs, United Nations, New York
Mr. Homi B. Minocher-Homji	Community Development Officer, Social Affairs Division, ECAFE, Bangkok
<u>Technical Secretary and General Rapporteur</u>	Professor N. Srinivasan, Indian Institute of Public Administration, New Delhi
<u>Officer in charge Administrative Arrangements</u>	Mr. H.F.B. Pais, Deputy Director, Indian Institute of Public Administration, New Delhi
<u>Administrative Officer</u>	Mr. R.G. Mulgund, Indian Institute of Public Administration, New Delhi

UNITED NATIONS TECHNICAL ASSISTANCE BOARD AND SPECIAL FUND

Mr. David Blickenstaff	Resident Representative, UNTAB and Director Special Fund, 21 Curzon Road, New Delhi 1
Mr. A. Shahbaz	Deputy Resident Representative, UNTAB and Deputy Director Special Fund, New Delhi
Mr. L. Cappolletti	Assistant Resident Representative, UNTAB, Assistant Director Special Fund, New Delhi

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18 OCTOBER 1963

ORIGINAL: ENGLISH

ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

In conjunction with the Eastern Regional Organisation for Public Administration, and the Division for Public Administration Department of Economic and Social Affairs of the United Nations

Seminar on Central Services to Local Authorities
21 October - 6 November 1963
New Delhi, India

AGENDA

Item No.Related Papers

1. Opening session
Adoption of agenda
Organisation of business
CSLA/04 (Work Programme)
CSLA/05 (Work Groups)
CSLA/06 (Conduct of Business)
2. General aspects and approach -
stimulating understanding of local
government role
CSLA/1 and 2/1
IULA. Pages 1-25
3. Framing local government and
defining powers and functions
IULA. Pages 32-43
DNL.D. Paras 14-52:58-76
EROPA. CSLA/10
-Pages 25-26
4. Legal and administrative provisions
to strengthen local government
IULA. Pages 44-49: 129-132
DNL.D. Paras 84-95
CSLA/1 Paras 15-17
5. Organisation and functions of the
Central Government Agency dealing with
local government. Its relationships
with other ministries and with local
authorities. Means to assist and
otherwise provide a framework for
effective local government
IULA. Pages 50-65
CSLA/1 Paras 25-30
DNL.D. Paras 237-246

/ 6. Other

Item No.Related Papers

6. Other ministries dealing with local government or agencies for rendering technical services (e.g. finance, health, education, social services, community development, etc.) to local authorities. Their relationships with local authorities and with central government local administrations, e.g. district and provincial
- DNLD. Paras 224-236
IULA. Pages 66-68
EROPA. CSLA/10
Pages 15-22
7. Systems operating in countries of the region
- Summary of country papers together with the respective country papers
CSLA/3
8. Supervision and control
- IULA. Pages 139-152
DNLD. Paras 77-83
CSLA/1 22-24
9. Financial relations between central government and local authorities. Central assistance in local government finance. Financial Policy. Audit
- IULA. Pages 69-87
DNLD. Paras 185-220
CSLA/1 Paras 18-21
EROPA. CSLA/10
Pages 11, 12 & 29
10. Loans to local authorities
- IULA. Pages 182-188
DNLD. Paras 221-223
258-270
11. Relationships between local authorities and central planning agencies and assistance by the latter. Partnership concept. Particular role of local authorities in implementation, evaluation, research, and public opinion and relations. Regional planning. Physical (i.e. City) planning
- IULA. Page 109 (para 57)
110-122: 127-128:
137-138
DNLD. 53-57
EROPA. CSLA/10 Pages
13-15
12. Community development. Relationship with Central and local governments. Its influence as a stabilising agent and in creating and developing local government. Development of leadership for local government
- IULA. Pages 123-128
DNLD. Paras 103-115
CSLA/4
CSLA/5 (leadership)
EROPA. CSLA/10
Pages 30-41

/ 13. Citizen

13. Citizen and popular participation
IULA. Page 31-3
DNLD. Paras 116-132:
141-147
EROPA. CSLA/10
Pages 54-59
14. Special purpose bodies
DNLD. Paras 133-140
15. Personnel services for local authorities
training for local authority personnel
and councillors
IULA. Pages 88-109
DNLD. Paras 148-184
247-257
EROPA. CSLA/10
Pages 9-11
Paper by Ceylon: CSLA/
Paper by India
on training: CSLA/
16. Professional and staff associations for
local authorities personnel
DNLD. Paras 274-280
17. Central assistance in the field of
purchasing
IULA. Pages 133-136
EROPA. CSLA/10
Pages 12-13
18. Central assistance in improving adminis-
tration generally, especially in coordination,
organisation and methods employed, including
technical services
IULA. Page 137
(Para 3)
EROPA. CSLA/10
Page 7-9
19. Other forms of central services not already
covered
20. Associations and Unions of local authorities
IULA. Pages 153-171
172-176
DNLD. Paras 271-273
CSLA/1. Para 27
CSLA/7
21. Technical Assistance in the field of
local government
DNLD. Paras 281-284
- Intermunicipal Technical Assistance
Programme
CSLA/ 8 & 9

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FOR PARTICIPANTS ONLY.

CSLA/04

20 OCTOBER 1963

ORIGINAL: ENGLISH

ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

In conjunction with the Eastern Regional Organisation for Public Administration, and the Division for Public Administration, Department of Economic and Social Affairs of the United Nations

Seminar on Central Services to Local Authorities
21 October - 6 November 1963
New Delhi, India

PROGRAMME OF WORK

Monday 21 October 1963

INAUGURATION

9.00 to 9.45

Registration of participants.
Completion of any documentation

10.00 to 10.30

Formal opening by Dr. D.S. Raju,
Deputy Minister for Health,
Government of India.

Responses

Minister leaves

10.30 to 10.45

Recess

10.45 to 12.30

Organisation of the Seminar and
Work Groups, Steering Committee
and Drafting Committee

Announcement of office holders and
constitution of Work Groups

Adoption of Agenda (See CSLA/03)

Other matters arising from foregoing

PLENARY SESSION

14.30 to 17.00

Agenda Item No. 2. Presentation
of papers CSLA/1 and 2/1.

/ Tuesday

Tuesday 22 October 1963

9.30 to 10.45

11.00 to 12.30

14.30 to 17.00

17.15

Wednesday 23 October 1963

9.30 to 10.45

11.00 to 12.30

14.30 to 17.00

17.30

Thursday 24 October 1963

9.30 to 10.45

11.00 to 12.30

14.30 to 17.00

Friday 25 October 1963

9.30 to 10.45

11.00 to 12.30

14.30 to 17.00

17.15

PLENARY SESSION

Continuation of discussion of agenda item 2.

WORK GROUPS

A - Item 8 B - Item 3

A - Item 8 B - Item 3

LECTURE I "Democratic Decentralisation
in India"

WORK GROUPS

A - Item 9 B - Item 4

A - Item 9 B - Item 5

A - Item 10 B - Item 5

RECEPTION

WORK GROUPS

A - Item 11 B - Item 6

A - Item 11 B --Item 6

A - Item 15 B - Item 12

WORK GROUPS

A - Item 16 E - Items 13 & 14

A - Item 16 B - Item 20

A - Item 17-19 B - Item 21

Items not specified but considered
by groups worthy of discussion at
Plenary sessionsLECTURE II " New Patterns of Rural
Government in India"./ Saturday

Saturday 26 October 1963

Sunday 27 October 1963

Monday and Tuesday

28 and 29th October 1963

Evening 29 October 1963

Wednesday 30 October 1963

9.30 to 10.45

11.00 to 12.30

14.30 to 15.30

15.30 to 17.00

18.00

Thursday 31 October 1963

9.30 to 10.45

11.00 to 12.30

14.30 to 17.00

17.15

Friday 1 November 1963

9.30 to 10.45

11.00 to 12.30

14.30 to 17.00

Study tour - Rajasthan

Departure for Bombay. Free in Bombay

Study tour in Maharashtra State

Return to New Delhi

PLENARY SESSION

Discussion on the visits to Rajasthan and Maharashtra

Presentation of Country Papers and Summary (Agenda Item 7)

Continuation. Identification of points of exceptional interest.

Consideration of Work Groups Reports. Agenda Items 3 and 4

RECEPTION

Work Groups Reports - Items 5, 6 & 8

- do - - Items 9, 10 & 11

LECTURE III "Central-local Relations in India". (Urban and Rural)

Work Groups Reports - Items 12 & 13

- do - - Items 14, 15, 16 & 17

/ Saturday

Saturday 2 November 1963

9.30 to 10.45 X
 11.00 to 12.30 X
 14.30 to 17.00
 18.00

Work Groups Reports - Items 18, 19 & 20

Reserve

RECEPTION

Sunday 3 November 1963

Free for participants to visit
 AGRA, GHAZIPOUR or other places

Monday 4 November 1963

PLENARY SESSION

9.30 to 10.45
 11.00 to 12.30
 14.30 to 17.00
 18.00

Work Groups Reports - Item 21

Reserve period for special matters
 which may have arisen, and
 recommendations

- do -

RECEPTION

Tuesday 5 November 1963

9.30 to 10.45 X
 11.00 to 12.30 X
 14.30 to 17.00 X

Consideration of final report

Wednesday 6 November 1963

9.30 to 10.45 X
 11.00 to 12.30 X
 14.30

Consideration and adoption of final
 report

Closing Ceremony.

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FOR PARTICIPANTS ONLY

CSLA/05

23 OCTOBER 1963

ORIGINAL: ENGLISH

ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

In conjunction with the Eastern Regional Organisation
for Public Administration, and the Division for Public
Administration Department of Economic and Social
Affairs of the United Nations

Seminar on Central Services to Local Authorities,
21 October - 6 November, 1963,
New Delhi, India.

COMPOSITION OF WORK GROUPS

WORK GROUP A

Mr.A.N.Ameri	(Iran)
	<u>Chairman</u>
Mr.D.Rajendra	(Ceylon)
	<u>Rapporteur</u>
Dr.M.A.Ansari	(Afghanistan)
Mr.Liu, Shen-Chao	(China)
Dr.A.U.Shaikh	(India)
Mr.K.K.Sharma	(India)
Mr.M.B.Salvi	(India)
Dr.P.Rahardjo	(Indonesia)
Mr.Yim, Chul-Soon	(Korea)
Tunku Syed Abdullah	(Malaysia)
Mr.Kanoksak Wannakanok	(Thailand)
Dr.Le Van An	(Viet-Nam)
Mr.S.T.Divers	(UN ECAFE)

WORK GROUP B

Dr.Vu Quoc Thong	(Viet-Nam)
	<u>Chairman</u>
Mr.A.Iqbal	(Pakistan)
	<u>Rapporteur</u>
Mr.Gian Prakash	(India)
Mr.Devraj	(India)
Mr.S.P.Singh Bhandari	(India)
Mr.J.Waajong	(Indonesia)
Mr.H.Yoshise	(Japan)
Mr.S.R.Sharma	(Nepal)
Mr.L.C.Mendoza	(Philippines)
Dr.H.J.D.Revers	(IULA)
Mr.Emil J. Sady	(UN New York)
Mr.H.B.M. Homji	(UN ECAFE)

ALLOCATION OF SUBJECTS TO WORK GROUPS

WORK GROUP A

Agenda Item No.

8
9
10
11
15
16
17
18
19
21

WORK GROUP B

Agenda Item No.

3
4
5
6
12
13
14
20
21

FOR PARTICIPANTS ONLY

CSLA/06

18 October 1963

ORIGINAL: ENGLISH

ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

In conjunction with the Eastern Regional Organisation for Public Administration, and the Division for Public Administration Department of Economic and Social Affairs of the United Nations

Seminar on Central Services to Local Authorities
21 October - 6 November 1963
New Delhi, India

RULES FOR THE CONDUCT OF BUSINESS

PURPOSE

1. The purpose of the seminar is to enable the participants and consultants here assembled to exchange experiences and to gain knowledge thereby; to study and discuss various matters within the subject description; and drawing upon this fund of experience, knowledge, and inspired discussion, to prepare a document for regional use on ways by which governments can increase the contribution and effectiveness of local authorities towards social and economic development.

PARTICIPANTS AND STAFF

2. The names of all participants, and directing, expert, and administrative staff are contained in CSLA/02.
3. The Technical Secretary will also be the seminar rapporteur.

WORK GROUPS

4. Business will be conducted through the medium of plenary sessions and two work groups.

/ The composition

The composition of work groups and the agenda items to be studied by each group respectively are contained in CSLA/C5. This composition of groups, however, can be varied as participants wish.

Chairmen of work groups and rapporteurs will be selected by each work group from among its members for the whole period of the seminar.

5. Where there is more than one participant from a country, the participants may divide as they desire.

Directing, Expert and Administration staff may attend work groups as most appropriate.

STEERING COMMITTEE

6. Director V.K.N. Menon, Mr. S.T. Divers, Mr. Gian Prakash, Mr. Emil J. Sady and Professor N. Srinivasan will constitute a Steering Committee to control generally the conduct of work and to introduce any special research measures which may be deemed necessary and possible. The Steering Committee may direct attention to questions on which special recommendations or views would be particularly useful.

DRAFTING COMMITTEE

7. The Technical Secretary and the work group chairmen or rapporteurs will be constituted as a Drafting Committee to prepare all reports for plenary sessions.

DOCUMENTATION AND REPORTING

8. Various papers will be presented to provide background material and sometimes to provide guide lines for discussion in work groups and plenary sessions. Some publications have also been issued. The agenda, CSLA/03, provides a list of items suggested for discussion covering the field of study; references to related papers and to parts of publications are given wherever possible against these items.

9. Each work group chairman and his rapporteur will transmit his report to the Technical Secretary on the conclusion of each day's work. The latter, with the assistance of the Drafting Committee will prepare these reports in due form for circulation to all participants for subsequent discussion at plenary sessions. The Drafting Committee will direct attention by a short note of any particular questions which may have been emphasised by Steering Committee, and also of any suggestions or recommendations made by work groups to which it thinks special attention should be drawn.

10. Work group reports will be presented to plenary sessions by group chairmen or rapporteurs. They will not be read in detail.

GENERAL

11. The object of plenary discussions will be to concentrate upon matters of importance, especially those so identified by the work groups and Drafting Committee. These discussions should not become an editorial service.

/ 12. The process

12. The process of face to face detailed study in work groups, followed by plenary session discussions, should result in the build-up of documentation from initial papers, culminating in a comprehensive report which can be agreed before the seminar closes.

13. Papers which have been circulated should not be read out in detail. It should be sufficient to highlight matters of special importance and those where it is particularly desired to stimulate thought and discussion. It is hoped in this way to provide the maximum time for discussion.

14. Agenda items are not restrictive. Perhaps during work group discussions, some matters will be identified worthy of deeper study than is then possible. Such matters should be brought to the attention of the Steering Committee who may find it possible to organise supplementary study.

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/ksm

FOR PARTICIPANTS ONLY
CSLA/07
20 October 1963
ORIGINAL: ENGLISH

UN/EROPA SEMINAR ON CENTRAL SERVICES TO LOCAL AUTHORITIES
21 October - 6 November 1963
New Delhi, India

INFORMATION FOR PARTICIPANTS

The Seminar will be inaugurated by Dr. D.S. Raju, Deputy Minister for Health, Government of India, at 10 a.m. on Monday, the 21 October, 1963 in the Conference Hall of the Indian Institute of Public Administration, Indraprastha Estate, Ring Road, New Delhi 1.

A bus has been arranged to take participants to and from the India International Centre for all seminar meetings at the Institute as well as for other official functions.

On Monday, the 21st October, the bus will pick up the participants from the India International Centre at 8.30 a.m. to enable them to reach the Institute at 9 a.m. to complete registration. On other days the bus will leave the International Centre at 9.10 A.M.

DATE _____
PAGE _____
BY _____

FOR PARTICIPANTS ONLY
CSLA/08
5 NOVEMBER 1963
ORIGINAL: ENGLISH

UNITED NATIONS/EROPA SEMINAR ON CENTRAL SERVICES TO LOCAL AUTHORITIES
21 October - 6 November, 1963
New Delhi, India

LIST OF DOCUMENTS ISSUED

Information for Participants

The following documents/papers have been issued in connection with the Seminar.

I. INTERNATIONAL UNION OF LOCAL AUTHORITIES & THE UNITED NATIONS

IULA STUDY Central Services to Local Authorities
Parts I, II & III
IULA STUDY Central Services to Local Authorities
Part IV
Public Administration Aspects of Community Development
Programmes (UN)
Decentralisation for National and Local Government (UN)

II. SPECIAL PAPERS

CSLA/1 Central & Local Government (by Sir John Wrigley)
CSLA/4 Role of Community Development in Local Government
(by Mr. Minocher-Homji)
CSLA/5 Report of the workshop on the role of Local Leadership
in Community Development (ECAFE)
CSLA/6 Some Problems facing Urban Corporation & Municipalities
(by Dr. A.U. Shaikh)
CSLA/7 Associations and Unions of Local Authorities
(IULA)
CSLA/8 IULA Explanatory notes and brochure
CSLA/9 Intermunicipal Technical Assistance
(IULA)
CSLA/10 Summation and integration of the documents resulting
from EROPA Conferences held in Manila (1960) and
Tokyo (1961)
CSLA/11 Council City Manager Government for Asia and the Far East
CSLA/12 Central Local Relations in India
(by Mr. C. Narasimham)
CSLA/13 Decentralisation for National and Local Development
(by China)
CSLA/14 United Nations Technical Assistance in Local Government and
Administration (by Mr. Emil J. Sady)

/ III. COUNTRY PAPERS

III. COUNTRY PAPERS

CSLA/3/1	Summary of Country Papers
CSLA/3/2	Thailand
CSLA/3/3	Viet-Nam
CSLA/3/4	Philippines
CSLA/3/5	Korea
CSLA/3/6	Indonesia
CSLA/3/7	Japan
CSLA/3/8	India
CSLA/3/9	Afghanistan
CSLA/3/10	China (Taiwan)
CSLA/3/11	Ceylon
CSLA/3/12	Malaysia
CSLA/3/13	Pakistan
CSLA/3/14	Nepal
CSLA/3/15	Iran

IV. WORKING PAPERS

CSLA/2/1	Agenda Item No. 2
CSLA/2/2	Agenda Items Nos. 3 & 4
CSLA/2/3	Agenda Items Nos. 5 & 6
CSLA/2/4	Agenda Item No. 8
CSLA/2/5	Agenda Item No. 9
CSLA/2/6	Agenda Item No. 11
CSLA/2/7	Agenda Items Nos. 12 & 13
CSLA/2/8	Agenda Item No. 14
CSLA/2/9	Agenda Item No. 15
CSLA/2/10	Agenda Item No. 10
CSLA/2/11	Agenda Items Nos. 16, 17, & 18.
CSLA/2/13	Draft Report of the Seminar

V. WORK GROUP REPORTS

CSLA/2/2	Agenda Items Nos. 3 & 4
CSLA/2/3	Agenda Items Nos. 5 & 6
CSLA/2/4	Agenda Item No. 8
CSLA/2/5 &)	Agenda Items Nos. 9 & 10
CSLA/2/10)	
CSLA/2/6 (Revised)	Agenda Item No. 11
CSLA/2/7	Agenda Items Nos. 12 & 13
CSLA/2/8	Agenda Item No. 14
CSLA/2/9	Agenda Item No. 15
CSLA/2/11	Agenda Items Nos. 16, 17 & 18
CSLA/2/12	Agenda Item No. 20

VI. NOTICES/ANNOUNCEMENTS

CSLA/01	Administrative Arrangements
CSLA/02	List of Participants
CSLA/03	Agenda
CSLA/04	Programme of Work
CSLA/05	Work Groups and Subjects
CSLA/06	Rules for the conduct of business
CSLA/07	Information for Participants
CSLA/08	List of Documents Issued.

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UNITED NATIONS/EROPA SEMINAR ON CENTRAL SERVICES TO LOCAL AUTHORITIES
(21 October to 6 November 1963)

Recommendations

Participants in the United Nations/EROPA Seminar on Central Services to Local Authorities

Having examined the worldwide studies of the United Nations on "Decentralization for National and Local Development" (Sales No.62.II.H.2) and of the International Union of Local Authorities (IULA) on "Central Services to Local Authorities" which was done for the United Nations, and of the Eastern Regional Organization for Public Administration (EROPA) entitled "Provisional Report on Local Government" as well as the papers prepared especially for the Seminar;

Affirms that the Seminar has been highly beneficial to them, increasing greatly their understanding of other systems of local government and of programmes of Government to improve the role and effectiveness of local government for purposes of promoting economic and social development;

Adopts the report summarizing its work and recommends that the United Nations Economic Commission for Asia and the Far East reproduce it and call it to the attention of its Member Governments;

With a view towards concrete results at national and local levels, the Seminar recommends the following for consideration by the Governments in the region and by United Nations headquarters, ECAFE, and other bodies as may be appropriate in the programming of technical

/assistance

assistance activities for improvement of local government:

1. That where significant improvements in local government are needed, governments should -- with technical assistance from the United Nations or other sources if required, conduct a survey and convene a national conference of key officials at various levels to examine it and to propose measures for improving local government. These measures, including technical assistance, should be on a sufficiently large scale to produce the desired results. They should include the establishment or strengthening of central agencies and institutions for improving local government and a programme of training to develop needed skills at the local level;

2. That, while the seminar focussed its attention on administrative means for improvement of local government and was unable to study the technical aspects of such vital problems as education, housing, water supply, sewage disposal, and health generally, it urges that attention be given to them -- especially in the larger urban areas where a crisis is developing in a number of countries due to increasing population of cities and the inadequacy of programmes to cope with resultant problems;

3. That the United Nations, in developing its worldwide programme, and ECAFE for the region should, in collaboration with the specialized agencies of the United Nations and international non-governmental organizations, give priority to the following activities designed to help

/Governments

Governments to increase the administrative ability of local authorities and to foster economic and social development:

- a. A worldwide study and regional meeting on unified personnel system for local authorities, including guides on the advisability and methods of transforming an integrated central and local government personnel system to a unified system for local authorities;
- b. A worldwide study and regional meeting on special administrative problems involved in extending services to nomadic and other special ethnic groups (e.g. hill tribes) and in applying the local government system to these groups;
- c. Study and regional meeting on arrangements for training local government personnel and for orientation of newly elected councilmen;
- d. Appropriate activities to study comparatively in greater depth than was possible at the Seminar and to produce guides on the following subjects that might lead to comprehensive documentation on the local government organizations and administration:
 - (i) Local government taxes and their administration;
 - (ii) Central government grants-in-aid and other forms of subsidies to local authorities;
 - /(iii) Special

(iii) Special administrative problems of capital cities;

(iv) Relations between elected councillors and staff;

(v) Organization and financing of public utilities in cities;

(vi) Methods of involving local authorities in central planning and implementation of plans;

(vii) Relationships between urban and rural local authority areas and organizations.

(viii) Relationships between local government and community development under different circumstances

e. Provision for the continuing exchange of information on the experience of Governments in applying measures for improvement of local government.

4. That Governments should bring to the attention of their local authorities, particularly of larger cities, the availability of experts and, in special cases fellowships, under the United Nations Intermunicipal Technical Assistance Programme (UNITAP) which is carried out in collaboration with the International Union of Local Authorities at The Hague.

5. That international and regional non-governmental organizations such as the International Union of Local Authorities and the Eastern Regional Organization for Public Administration should continue to develop activities for improvement of local government in the region. To that end, Governments should encourage participation by their officers and local authorities in the activities of these organizations. Having in mind the good work that can be done by associations of local authorities, Governments should encourage their establishment of such associations.

M.G.

